

fine twist worsted by  
**CROMBIE**  
TAILORED BY  
**simon**  
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## NEWS SUMMARY

### GENERAL

#### Parcel bomb hurts 3 police

A parcel bomb addressed to West Ham Police Station exploded as it was being carried to the station, injuring three London policemen, one seriously.

The parcel had been removed from a car in New Plaistow, and taken to the police station. The car had been spotted by its owner, who saw the parcel on the back seat and reported it to the police.

Sergeant Lawrence Roberts, 45, was seriously injured in the face, arms and hands when the bomb exploded. Inspector Ian Thompson and PC Ron Nixon were treated for minor injuries.

Scotland Yard said that all the indications were that the bomb was not of IRA origin.

### BUSINESS

#### Equities index slips to new low

Equities began the two-week account in an atmosphere of uncertainty, and small selling among market leaders brought the FT 30-Share Index down 4.5 to a low for the year of 409.9.

The index had been rising since the start of the year, but fell sharply in August.

The FT 30-Share Index closed at 409.9, down from 414.2 on Tuesday.

The FT 100 Index closed at 1,112.5, down from 1,117.5 on Tuesday.

The FT 250 Index closed at 1,112.5, down from 1,117.5 on Tuesday.

#### Whitelaw in new talks

Mr. William Whitelaw, the Northern Ireland Secretary, began a new round of talks with political leaders in the province on an attempt to gain agreement on an all-party conference to discuss issues delaying the setting up of an executive.

Today, Mr. Whitelaw will see the Rev. Ian Paisley, Democratic Unionist, and—if he accepts the invitation—Mr. William Craig, Vanguard. He has already seen Mr. Brian Faulkner, Unionist, Mr. Gerry Fitt, SDLP, and Mr. Oliver Napier, Alliance.

#### Podgorny toasts Prince Philip

President Nikita Khrushchev, who is in Britain, toasted Prince Philip with champagne at a Kremlin luncheon and said: "We like to maintain, develop and strengthen business and friendly relations."

Prince Philip, who is in Britain, is the husband of Queen Elizabeth II.

#### Rail collision seven injured

Seven people were injured when two trains collided at Dorking, Surrey. The main Waterloo-Bognor line was blocked. The injured included a 60-year-old man who was trapped in the wreckage for nearly two hours before firemen at his free.

#### Aircraft hits bungalow

A father and his six-year-old daughter died and his wife and mother child were critically injured when their light aircraft hit a cliff-top bungalow at Brixham, Devon, while on a flight from Plymouth to Bournemouth.

#### Trash kills four

Four people, believed to be three men and a woman, died when a Mini car in which they were travelling caught fire after it had been in collision with two lorries at Walsley, Derbyshire.

#### One home

A bungalow near Messing, Essex, was dismantled and taken away on a lorry by thieves who had been watching neighbours and a woman that it had been sold to a man elsewhere.

#### Relief...

£50,000 went to the Birmingham holder of bond No. 88L, 87L, 86L, 85L, 84L, 83L, 82L, 81L, 80L, 79L, 78L, 77L, 76L, 75L, 74L, 73L, 72L, 71L, 70L, 69L, 68L, 67L, 66L, 65L, 64L, 63L, 62L, 61L, 60L, 59L, 58L, 57L, 56L, 55L, 54L, 53L, 52L, 51L, 50L, 49L, 48L, 47L, 46L, 45L, 44L, 43L, 42L, 41L, 40L, 39L, 38L, 37L, 36L, 35L, 34L, 33L, 32L, 31L, 30L, 29L, 28L, 27L, 26L, 25L, 24L, 23L, 22L, 21L, 20L, 19L, 18L, 17L, 16L, 15L, 14L, 13L, 12L, 11L, 10L, 9L, 8L, 7L, 6L, 5L, 4L, 3L, 2L, 1L.

### PRICE CHANGES

(FT stock indices and FT-Actuaries summary Page 21)

Index	Value
FT 30-Share Index	409.9
FT 100 Index	1,112.5
FT 250 Index	1,112.5

## Oil: fears of more pressure on prices

BY RAY DAFTER

MAJOR OIL companies in America or world-wide pressure being applied on Libya after the take-over of a controlling interest in the oil companies operating on her territory, he said.

"If industrial nations and oil consumers gang up against us in a so-called cartel, we shall see they bear the consequences of their wrong decision."

The industry which, along with Governments, is taking a "wait-and-see" attitude to the expected 51 per cent. nationalisation of major oil companies, was clearly surprised yesterday at the news that Libya plans to raise the price of its crude to \$8 a barrel.

### Reaction

This is over \$1 a barrel more than the unprecedented high buy-back price negotiated with Occidental and the other companies which "acquiesced" to nationalisation last month. It is about double present Gulf prices.

The immediate, if unofficial, reaction of major oil companies was that it was too high a price to pay and they would be forced to buy elsewhere. One of the American-based majors, however, thought Japan might be willing to buy at those prices.

[A consortium of four Japanese oil companies yesterday reached agreement with Iraq on the long-term supply of crude and liquefied petroleum gas in exchange for a Japanese loan of \$500m. to Iraq for its oil exploration projects. Under the agreement, Iraq will ship to Japan a total of 100m. tons of crude over 10 years beginning 1976, and 30m. tons of LPG over 15 years.]

### Balance

Any balance could probably be made up from elsewhere, although the oil industry is well aware that world supplies of crude are becoming tighter.

Oil companies seem more concerned about the reaction to Libya's move throughout the Middle East than the nationalisation action.

They have refused to accept Libya's terms in case this precipitated a renegotiation of agreements throughout countries in the Organisation of Petroleum Exporting Countries.

### Upturn in capital spending by manufacturing industry

BY WILLIAM KEEGAN, ECONOMICS CORRESPONDENT

CAPITAL EXPENDITURE by U.K. manufacturing industry went up by 7 per cent. between the second half of 1972 and the first half of this year, according to figures released by the Department of Trade and Industry yesterday.

This is the first upturn since the cyclical decline in manufacturing investment which started early in 1971, and is consistent with a higher rate of increase year on year than the 5 per cent. rise indicated by the last DTI investment intentions survey.

### Fixed capital expenditure

Seasonally adjusted 1970 prices

Year	Total	Manufacturing	Distribution and Services
1969	2857	1976	1649
1970	4217	2729	1773
1971	4085	1968	1752
1972	4009	1775	1851
1973 Q1	1017	511	495
1973 Q2	1030	498	433
1973 Q3	1038	491	445
1973 Q4	1000	468	441
1974 Q1	1014	464	449
1974 Q2	1022	447	459
1974 Q3	1007	430	449
1974 Q4	1047	432	474
1975 Q1	1107	463	482
1975 Q2	1021	460	476

## More cholera deaths in Italy

By ARTHUR SANDLES in London and PETER TUMIATI in Rome

AS ITALY'S cholera outbreak appeared to have spread to Rome, British travellers were last night being offered alternative holiday destinations by tour operators. Most have been given an option—a holiday away from the Bay of Naples if space is available, or vouchers to take another holiday later.

By last night 15 people were reported to have died of the disease in Italy. In Germany, a 47-year-old Italian worker, just returned from Naples, has been admitted to hospital with a mild attack of cholera.

### Camping sites

Although it is near the end of the summer season for British tourists, several thousands a week would normally be heading for the Naples area at this time of year on package tours. The Bay of Naples has also many camping sites which are very popular with British and German motor touring tourists.

Last night British tour operators, airlines and the Government were all urging travellers to Italy to have vaccinations. However, there are considerable doubts about the efficacy of the vaccine.

### Emergency talks

Yesterday afternoon, there was an emergency meeting of the tour operators' council of the Association of British Travel Agents. It was at this meeting that the decision was taken to recommend members to offer alternative holidays or vouchers.

It was also decided to urge everyone going to Italy to have vaccinations and to be particularly careful about cleanliness.

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## Victories for moderates in TUC battles

BY JOHN ELLIOTT, LABOUR EDITOR

MODERATE UNION leaders today won a series of substantial victories over the Left wing here at the start of the annual Trades Union Congress.

First, the TUC General Council swung in favour this morning of co-operating with Common Market institutions, while later in the day Congress delegates voted for unions to continue defending themselves at the National Industrial Relations Court.

### Poaching

Mr. Vic Feather, TUC general secretary, issued a thinly veiled threat about this when he indicated in a Congress speech that TUC unions might well start poaching the expelled unions' members. The sort of trouble that could emerge was also illustrated by news today of Mr. Clive Jenkins' Association of Scientific, Technical and Managerial Staffs moving into the banking field.

### Conference report, Page 15

Midland staff may join ASTMS Back Page

though not named—that it was the responsibility of unions to defend their members in the court as well as elsewhere.

Mr. Feather followed in knock-about but still serious form. It was "daft to say it is co-operation to hit at a nigger," he said, arguing that those who defended themselves at the NIRC should not be described as co-operating with the Industrial Relations Act.

### £ in New York

August 31 Previous

Month	£ in New York	Previous
1 month	20.48/49	20.48/49
3 months	20.48/49	20.48/49
12 months	20.48/49	20.48/49

## Dewar's goes down smoothly

Dewar's  
FINE SCOTCH WHISKY  
"White Label"  
John Dewar & Sons Ltd  
PERTH SCOTLAND

Blended for smoothness—it never varies.



# Company law reform: The Channel. Worker participation

**Letters to the Editor**

Sir.—The White Paper on Company Law Reform states: "The Government already has substantial powers under the existing law to require further disclosure in company accounts. May I suggest that the Government takes this opportunity to exercise these powers in the following areas:—

Require disclosure in the profit and loss account of the costs of goods or services sold. Gross margins and more accurate stock turnover ratios could then be calculated. Investors' interests would be further served if details of selling, administrative and R and D expenses were also disclosed. Many companies, of course, already provide this information voluntarily.

Require the presentation of a funds statement (in addition to a balance sheet and a profit and loss account) on which the auditors will also report. This should be a statement showing sources and uses of all company financial resources, not just working capital. On behalf of the advocates of sub-venturing, may I also plead for the extension of Section 17 of the Companies Act, 1967, to include an analysis of sources and uses of funds by differing classes of business on the same basis as turnover and profit or loss. With this information, investors could, inter alia, determine whether a company was directing funds to high- or low-margin activities.

Require separate disclosure, in the balance sheet or notes thereto, of trade debtors and accrued charges. The latter should be stated under separate headings and where the amount of accruals shows an increase or decrease, the source or application of the funds should be disclosed. Disclosure should only be required if the amounts are material.

Companies are not averse to profit smoothing—concealing the favourable results in inflated accruals. Despite the recent spate of good company results reported, the true profit position of these companies may have been understated. Caveat the Pricers Commission.

T. G. Sutton.

Cranfield Institute of Technology, Lancaster Hall, Cranfield, Bedford.

## Channel link cost

Sir.—Even in the excellent article (August 29) that Ray Daffar presents on the Channel link it is not possible to cover fully all aspects and perhaps the most vital at this time is the cost of the proposed rail link from London to Folkestone.

At first denied as a vital part

of the Channel Tunnel concept, over the past few months the necessity for a high speed rail link has been grudgingly admitted. While the cost of the link does not fall upon the Channel promoters, surely it cannot be ignored when pricing the overall cost of the operation and we must now see whether Parliament is prepared to sanction a £500m. rail link out of public funds in order to provide a private company with sufficient traffic to produce its "embarrassing" profits.

Channel and rail link are inseparable, hence the true total cost is, as of now £1,400m. The same as the proposed bridge. BR has verbally challenged outside estimates of the cost of the proposed link, but has steadfastly refused to publish details of its own estimate. There can be no justification for secrecy here, and failing early publication, one must assume that the figure of £500m. is accurate.

Gordon M. Rose.

27, Heathgate, NW11.

## Workers' control

Sir.—It is only when complete control, which is to say ownership of a business is vested in the workers, that any possibility arises of their taking part in the management of the business. In other words, workers can only "participate in the decisions" which affect their working lives in conditions in which the roles of capital and labour have been completely reversed, that is when labour employs capital.

Most people recoil from this conclusion, because they assume it to be unworkable. They cannot imagine the operatives of a business being its owners, taking its risks and accepting the variable rewards of their own endeavours. Nor can they conceive of capital being rewarded (as labour is now) with agreed fixed payments for its use.

This revolutionary concept is, nevertheless, actually being practised in a small way in Britain and some other European countries, but quite substantially in France and Spain. The organisation in France comprises over 500 enterprises operated by 36,000 worker-owners. The worker-owned manufacturers of northern Spain produce £56m. of goods annually. The fact is that some tens of thousands of men are currently demonstrating the complete feasibility of a reversal of the roles of capital and labour in industry.

This phenomenon escapes notice mainly because no one concerned has complained or made a fuss. No capitalists have been expropriated, no government subsidies have been re-

quired, no riots have taken place and no one has even found it necessary to stage a demo. Practical men have got on with the normal ebb and flow of life. Indeed, the ability of worker ownership is that it moves all the causes of industrial strife. Men in their capacity as workers gain control of their own destinies, but not at the expense of men with money or of those with managerial capacity. Both capital and management are still required and remuneration is still based on new world for which everyone is seeking, quietly taking shape under our noses. Here is the industrial pattern which will allow us all to escape from the class struggle.

Alastair Campbell.

Ord House, Muir of Ord, Ross-shire.

## Bank lending policies

Sir.—The present situation in the financial markets directly reflects the considerable lack of policy control by the Bank of England and the clearing banks. It seems to me unacceptable that the traditional credit rating of so-called "blue chip" companies and other borrowers should have been maintained at a time when the former are able to make considerable profits on arbitrage transactions, while the general run of commercial and private borrowers are having to pay substantially higher rates of interest for proper commercial borrowings which certainly do not justify being charged a rate of interest which is not truly commercial but dependent on foreign exchange commitments.

In my view, the ordinary private and commercial borrower should be charged rates not linked in any way to the minimum lending rate established by the Bank of England but should be charged a rate which will give the banks a reasonable profit and a fair return on their capital. The "blue chip" companies should be charged such rates as to make their present money dealing operations totally unprofitable.

A. G. C. Trollope.

34, London Wall, E.C2.

## Lower deposit rates

Sir.—With the current crisis about the interest charges on the clearing banks' clearing banks appear to be on the horns of a dilemma over the rates they offer on the typical branch deposit account. To lower the rates would only increase their already massive losses, and to raise them would put even more pressure on the already hard pressed building societies.

Why is it not possible for the banks to lower their deposit rates for the small investor, but direct to raise them on the large revenue bank charges and paying interest on current accounts? It is after all the "free money" provided by the current accounts which has led to the clearing banks making such high profits in these times of high interest rates.

D. A. B. Pecker.

55, East Avenue, Heald Green, Cheshire.

## Accountancy training

Sir.—May we, as a body of international accountants, take this opportunity of using the columns of your newspaper to state how much we deplore the current bickering correspondence on this subject.

While being a world-wide body, we must take a much broader view of the profession than other bodies. We are, how-

ever, very conscious of the fact that this wrangling has been continuing in Great Britain for the past 30 years or so and are therefore extremely happy in the knowledge that Professor Solomon is engaged upon a study of the situation and we hope that his report will lead to far greater future unity in the profession.

L. S. de Quidt.

Secretary-General, Association of International Accountants.

P.O. Box 34, Billericay, Essex.

## Dissatisfied citizens

Sir.—My thanks go to Mr. Eddies Walsh who represents yet another obviously dissatisfied citizen, by his letter of August 29. While I agree with the general sentiment of the letter in his wish to "get rid of the percentage people," and also to restrict the over-rich to the use of one house only, I fail to see how this will stimulate the production of more houses on the one hand and create goodwill and co-operation among the over-rich on the other.

If solutions are wrought by the work of ever increasing restrictions, of whatever manner or sentiment, then how is it that our society does not flourish like some proverbial Utopia?

Today's system is nothing short of conspired! One building society is threatening to refuse to grant any new home loans while others talk of rationing them. In the same day we learn that the number of new homes now being built is decreasing, and yet all that is to try to patch up a sinking ship with as much understanding of the situation as one who gives lollipop to a child with toothache.

A. J. Harper.

15, Ringdale Road, Streatham, S.W.16.

## Homes before houses

Sir.—Mr. Harper on August 11 voiced what is probably a main reason for so many of our best young people emigrating.

The acute shortage, and therefore high prices, of decent homes to-day, could quickly be rectified if much more advantageous mortgages could be granted (with Government help if necessary) to people wanting to buy homes created by properly converting existing houses of the right type. It is unfortunate, even after bulldozing so much housing, we still

## A divided nation

Sir.—In your issue of 23 Joe Rogaly comes alarming difference in the treatment of children from those who have manual occupations those whose fathers Later he quotes from "The size of the represents a challenge schools must meet."

I believe that in step in eliminating would be taken if of this country was co more in the hands schools, and that this done as quickly as the problem is so seri believe that the Lat slogan of abolishing schools would close it by moving the top pa from bottom and th country—all of us—s harm. It would be move to more priv the voucher syste have seen suggested people.

After having work Civil Service and in for a good many ye now worked for als private schools. Pri have to be good or pupils have to do as is humanly possibl t. Almost all the whom I come into ke to learn and like w I remember onc round a teacher fo school and when I for his main impr said: "There is here." Private schoo be pretty good; children motivated learning.

Surely it would be ine by putting a children to repre those studied in sim schools and then se going on (this may c been done and studi To those who t private schools s abolished, I would s that they repres stint of working in what you think of the J. S. Macartney. Rectory Flat, Stanton by Bridge, De

## TV Radio

† Indicates programme in black and white.

**BBC 1**

11.00 p.m. Ar Gais Carwyn. 1.25 News. 1.30 In the Town of Conwy. 4.15 Play School. 4.40 Jackanory. 4.55 The Monkeys. 5.20 Soper at Large... in Poland. 5.45 News. 6.00 Nationwide. 6.45 Tom and Jerry. 7.00 British Film Night: "State Secret" starring Douglas Fairbanks Jr. 8.30 Seven of One. 9.00 Nine O'Clock News. 9.25 The Commanders, part 4: Dwight D. Eisenhower, General of the Army.

**BBC 2**

10.55 Film '73. 10.55 Midweek including Callaghan on Ulster. Home of the Future. 11.15 Northern Ireland News Headlines. 11.40 Late Night News. All Regions as BBC 1 except at the following times:— 6.00-6.50 Wales Today. 6.50-7.20 Heddli. 7.20-7.55 Tom and Jerry. 7.55-8.00 Film: "State Secret" starring Douglas Fairbanks Jr. 8.30 Seven of One. 9.00 Nine O'Clock News. 9.25 The Commanders, part 4: Dwight D. Eisenhower, General of the Army.

## F.T. CROSSWORD PUZZLE No. 2.265

1. Noblewoman admits fifty— that makes it innumerable (9)  
2. Transport for Dr. Hill? (5)  
3. Old worker accepts nice change (7)  
4. Receipts—thanks to sovereigns (17)  
5. Conclude the argument with one's final breath (4, 3, 4, 4)  
6. The way to current controversy (6)  
7. Jack's half-bottle? (8)  
8. Bid to intensify feud (1)  
9. Regrets losing right birds (6)  
10. One out of his element like the angler's catch (1, 4, 3, 2, 5)  
11. Turn set around for delegate (7)  
12. It is presumptuous to send on in advance (7)  
13. Groups in classes (5)  
14. The gravity of stupidity (8)  
15. Right in money but a commercial failure (9)  
16. Exposed and bareheaded (9)  
17. Just a day in other words (6, 4, 5)  
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## Huge demonstrations by Allende supporters planned

BY HUGH O'SHAUGHNESSY, LATIN AMERICA CORRESPONDENT

SANTIAGO, Sept. 3.

SUPPORTERS OF the Government of President Salvador Allende are preparing massive demonstrations of support for his victory in the Presidential election of 1970 while in opposition circles there is a continuing preoccupation with ways of turning him out of office and persuading the armed forces to co-operate in his overthrow.

All the Government parties are making strenuous efforts to all every supporter they can muster, man, woman or child, on the streets in a gesture of solidarity with Dr. Allende.

In Santiago, five columns of marchers, likely to total several hundred thousand people, are to converge near the Presidential palace in the late afternoon. As a traditional in these circumstances, workers in the public sector will be allowed off work early to participate.

This afternoon, the funeral of Communist student and a workman, killed in a road accident on Saturday while they were doing voluntary food distribution work to circumvent the lorry owners' strike, promises to be a significant anti-strike demonstration.

Acts of violence continue throughout the country as a result of the lorry owners' strike, which has been going on since July 26, as strikers and strike-breakers clash. Some 500 incidents of terrorism have been recorded, which have so far cost the lives of seven people.

In Parliamentary circles, opposition thinking is veering towards the technique of pushing through Congress a motion declaring Dr. Allende unfit to govern.

In a long article in the Right-wing Santiago daily *El Mercurio*, a noted constitutional lawyer claimed that Article 43 of the Constitution, declaring the President unfit to govern had been used in 1891 against President José Manuel Balmaceda at the instance of the Chilean Navy and against President Carlos Ibáñez in 1931.

The precedents are not totally irreproachable but, the writer said, they offer a quick and easy way of unseating President Allende by simple majority in Congress. The opposition commands a majority in both Houses of Congress. Up to now, circulation has centred round the opposition's chance of pushing

through a judicial impeachment against Dr. Allende but this demands a two-thirds majority which the opposition does not command.

The strike of wholesalers and retailers called for 48 hours last week is likely to be renewed and strengthened in 17 Provinces, from the Santiago region southwards, from today onwards indefinitely by employers' organisations from a wide range of businesses as a protest against the "chaotic and insupportable situation" provoked by the government.

To-day, President Allende is expected to name a successor to Admiral Raúl Montero, the navy commander-in-chief who resigned over the weekend. Admiral Montero's resignation is seen as confirming the unhappiness of the navy over political events in Chile.

The Court of Appeal in Valparaíso today considers the navy's demand for the lifting of the Parliamentary immunity of Senator Carlos Altamirano, the Socialist Party leader, and deputy Oscar Garretón. Secretary General of the Left-wing MAPU, who are accused of being the instigators of unrest in naval ranks last month.

Nicholas Colchester tries to keep his cool in New York City

## 'If you can't stand the heat . . .'

THERE HAVE now been seven days of ferocious heat in New York City and the strain is beginning to tell. Commuters' faces have acquired an olive sheen. The sepioid air has grown steadily more obnoxious. The taxi-drivers have achieved new heights of ill-will. The water pressure is dangerously low and while the lights burn yellow in the home giant power cables glow red and blow beneath the baking streets. During seven days of heatwave the city's death rate has doubled.

The temperature has been close to 100 degrees over this period and the air humid. There are hotter places in the world, and certainly damper ones, but the annual spell of "Big Heat" in New York City has special features. In the first place New York business life carries on at the same energetic pace. There are no languid motions or siestas. The business men still bustle about the city with ties sharply knotted, fedoras perched and heavy black brogues briskly tramping.

### Dreaded purgatory

They do not aspire to acclimate themselves to this heat any more than they feel moved to

run up flights of stairs. They work in skyscrapers of frigid air. They think about suburban homes charged with marginally less frigid air. And they dread the purgatory of the journey between the two.

The subways — tube trains — are designed to melt the stoutest morale. They are built on the cut-and-cover principle and their roofs are the black asphalt of the streets sucking up the sun's rays with great efficiency. On the platforms the temperature is 105 degrees. In the trains this is bumped up by body heat to a drenching 115.

Last Tuesday a subway train crammed with rush hour passengers became stuck in its tunnel when an archway of ancient construction collapsed onto the front coach. One thousand travellers were trapped with the temperature well above 100 degrees and with the train suffused with smoke as oily rubbish on the track caught fire. They suffered there for an hour and twenty minutes, standing shoulder to shoulder, until the rescue squads reached them and let them stagger out onto 42nd Street. Every summer there seems to be an incident like this, and every time a tube train groans to a halt in its bread-and-butter tunnel, each commuter thinks that this number is up.

Then there is the annual energy fiasco. New York uses little electricity in winter because most people have central heating and electric fires are scarce. But when summer comes the air-conditioners thrashing through a million windows are dusted off, their controls are set at "hi-fan" and "sup-rchill" and they roar through the hot spells consuming quantities of electricity.

### State of war-alert

When the heat is on, Con Ed, as the New York electricity company is called, exists in a state of war-alert, juggling millions of watts between its voracious customers and urging them to turn off the appliances that over the rest of the year they have been persuaded by every media-means to buy. Con Ed's generators run hot. Its cables smoulder and perspiring hard-hats in small vans race from one smoking man-hole to the next.

Seven days of the sort of heat New York has just suffered stretches Con Ed to cracking point, demand peaks in the early evening at over 8,000m. watts of power and Con Ed generally has to hold it at that level by reducing the voltage by up to 8 per cent. At this stage lifts begin to

have second thoughts: between floors and television pictures shrink.

Apart from a blackout in the borough of Queens, when 27,000 volt feeder cables melted in quick succession, Con Ed has performed pretty well so far this year helped by the sterling efforts of "Big Alis," its number one generator. This is a single rotor that puts out 1,000m. watts, or one-eighth of Con Ed's entire production. At the turn of the decade Big Alis was prone to burn out or "trip out" when the going got tough and somehow came to personally the entire struggling system. Today, however, the vast machine is turning smoothly, steering New York clear of those blackout evenings when the job becomes: "Where's the chairman of Con Ed?" Answer: "He's out in Central Park looking for glow-worms."

Another feature of the New York summer is the fire hydrant. Most of the year these fire hydrants squat malevolently at the edge of the pavement inviting the motorist to park in front of them and be towed away. But in the summer heat they become a vital source of cool to those tracts of New York City where an air conditioner is a rare luxury. Fire hydrants are wrestled open to pour floods of water in to the streets while

children cool themselves and passing motorists with well directed squirts.

### The gushers always gush

The authorities have provided spray caps to turn these water-gushers into less wasteful sprinklers and every hot spell they urge the local residents to use these. But the gushers always gush, the water pressure drops to a dangerous 40 lbs per square inch and the fire brigade must race around the city turning hydrants off so that small fires in tall buildings can still be fought.

While these high-temperature rituals continue, the weathermen pour over their charts by day and make weak jokes on the TV screens at night. The trouble, they explain, is that the atmosphere over New York City has come to a halt and that this shows every intention of squatting over this city for another five days at least. If it succeeds in doing this we will have the small pleasure of knowing that we have lived through the nastiest New York end-of-August ever, heating a 12-day stretch in 1953 when the temperature went above 90 degrees every day.

## U.S. chrome decision attacked

BY ADRIAN DICKS

WASHINGTON, Sept. 3.

THE BYRD Amendment permitting the importation of strategic materials into the U.S. from Rhodesia has done more harm than good to the interests that lobbied for it, as well as seriously damaging America's standing in Africa and its posture at the UN.

This is the central conclusion of a report on the effects of the amendment almost two years after its passage, by the Special Rhodesia Project of the Carnegie Endowment for International Peace, published here today.

The report finds that although the Amendment has had some success in lowering the prices charged for Soviet chrome ore, the U.S. has actually become more dependent on Soviet supplies, which now account for some 55 per cent. of total imports, since the amendment came into force.

The authors also conclude, and quote in support of their position the view of the White House, that the "national security" argument used by supporters of the Amendment is of little relevance. They argue that comparatively small

quantities of chrome ore are required for defence-associated purposes, and that the U.S. stockpile, even with the reduction proposed by the Administration earlier this year, will be more than enough to meet foreseeable needs.

However, the domestic U.S. ferro-chrome industry, which lobbied hard in favour of the Amendment, appears to have been seriously weakened by its provision allowing not just chrome ore but processed ferro-chrome to be imported among some 72 materials. As a result of this increase of cheap imports, most noticeably from Rhodesia itself and from South Africa, two of the four largest American ferro-chrome producers have ceased production of the alloy since the Amendment was passed in October 1971.

Quoting U.S. official figures, the Carnegie Report states that Rhodesia, with over 60 per cent. of the world's supply of high-carbon ferro-chrome imports into the U.S.

"This surge of low-cost imports of ferro-chrome from Rhodesia has done more harm to American industry than any of the chrome ore related hardships—real or imagined—that occurred during the period of sanctions." The authors go on to quote the American Ferro-alloys Association to the effect that: "Unless aid is forthcoming soon it will only be a matter of time until almost all domestic production of ferro-chrome and chromium metal will cease and the bulk of our country's requirements will be supplied from and dependent on foreign production."

Among the two leading producers, one, Air Reduction Corporation, has had no interest in the Rhodesia question since it is supplied by long term contracts with the USSR. But the other, Union Carbide, has said "that it will be forced to move its ferro-chrome production overseas in order to compete."

A more detailed chapter was destined for the textile industry, comprising concrete steps to be taken in the internal wool market and the setting up of a specialised wool commission. The mounting problems in this almost exclusively with the sector were followed with great

## Uruguayan army tries to force economic pace

BY BRYAN PALMER

MONTEVIDEO, Sept. 3.

A TIMETABLE for the implementation of some of the general economic outlines approved last week at a special Cabinet meeting, which was also attended by high-ranking officers of the armed forces, will start running today.

Terms of between 15 and 90 days were fixed for the carrying out of several measures concerning foreign investment conditions in certain areas, improvement of productivity in the fishing and sugar cane industries, growth in raw hides exports, building of new port facilities and the purchase of five fishing ships at a total cost of \$3m.

A more detailed chapter was destined for the textile industry, comprising concrete steps to be taken in the internal wool market and the setting up of a specialised wool commission. The mounting problems in this almost exclusively with the sector were followed with great

interest by the military, and precisely one day after the timetable was published by the Left-wing daily *Abora*, the Armed Services Joint Operations Command issued a communiqué announcing that army personnel would begin inspecting several deposits in Montevideo in search of wool stocks.

There had been a number of charges presented against wool producers, stated the communiqué. They are supposedly cutting back selling operations in the internal market in the hope of improving their profits through new increases in international wool prices, thus seriously affecting the Uruguayan textile industry and causing a further rise in unemployment figures.

Although reactions towards the results of last week's government meeting, which dealt almost exclusively with the implementation of the develop-

ment plan approved a few months ago, have been strongly contradictory, the chambers of industry and commerce, together with other business associations and the cattle raisers, will hold their own assessment meeting within the next 15 days.

Meanwhile, the government has announced that a new period of working sessions, this time in the presence of the directors of State-owned industrial concerns, will soon take place in a point in the interior of the republic which has not yet been chosen.

It seems, as a whole, that the military are trying to impose their own operative rhythm on official policies and programmes, but—nevertheless—the highly controversial ideological scheme of the plan—it is hard to guess if they will be able to move the Administration apparatus with the requested quickness and efficiency.

## Some Canada railmen resist anti-strike law

OTTAWA, Sept. 3.

CANADA'S TRAINS began moving again yesterday as most union Workers (CBRT), split with the leaders obeyed a special law to end the ten-day national rail strike, but resistance by some militant workers prevented full resumption of service.

Most resistance to the back-to-work order passed by Parliament early on Saturday was centred in the west, with some pockets of workers discontent in Ontario. But in the east, train and ferry service resumed. Stranded travellers on Newfoundland and Prince Edward Island were moved after days of waiting for renewed boat services.

Railway companies—including the two giants, CP Rail and Canadian National Railways — began calling back their employees soon after most union leaders issued statements in Ottawa on Saturday that they would reluctantly urge their members to return to work.

But leaders of one major union, the Canadian Brotherhood of AP-DJ

The CBRT represents 18,000 of the 56,000 non-operating workers who began the national strike. The union includes ticket-sellers, clerks, truck drivers, janitors and other employees.

Mr. Donald Secord, CBRT national president, said members were asked to meet, discuss the law and future actions, then report their views to leaders this evening. The union would maintain picket lines and expect other workers not to cross them, he added.

As all the CBRT rail workers are employed by Canadian National Railways, that company seemed likely to be hardest hit by any continued strike action. But some joint CNR-CP Rail Properties were also to be picketed.

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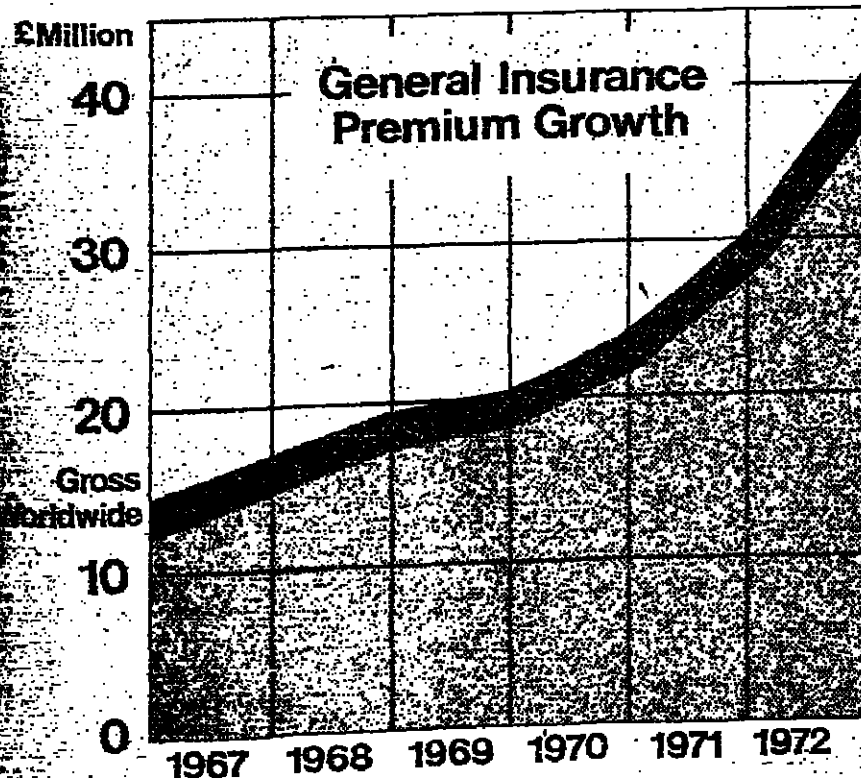
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## W. German export orders higher than expected

BY MALCOLM RUTHERFORD

BONN, September 3.

OFFICIAL HOPES of a decline in demand for West German goods has still not materialised, according to the July order figures issued by the Economics Ministry today. Export orders, in particular, continued to run above expectations.

Orders were down 10.5 per cent. on June, only a little more than normal at this time of year. Domestic orders were down 12.5 per cent., but export orders were off by only 3.5 per cent.—far less than usual.

In the capital goods sector orders were off 7 per cent. on June, but export orders, which normally drop in July, actually rose by 5 per cent. The Ministry comments that the figures are influenced by heavy foreign orders to German shipyards.

Altogether, orders were running nine per cent. higher than current turnover, so that des-

pite all the Government's stability measures and the latest re-valuation of the D-Mark, German order books are still getting longer. Even the fall in home orders may be only a reaction after the unusually high orders to heat the investment tax in May.

The Economics Minister, Herr Hans Friderichs, has commented that July and August are invariably months and that only the September figures will show whether demand is slackening. Nevertheless, the sheer volume of orders in hand suggests that it will be some time before the economy begins to stabilise.

In the first seven months of the year together orders were up by 22 per cent. on the comparable period of 1972. The July orders alone were up 30 per cent. on July 1972, though by only 13.5 per cent. if allowance is made for rising prices. Domestic orders in July were up 10 per cent. on

a year ago and export orders by as much as 55 per cent.

The boom in export demands is even stronger in the capital goods field, where foreign orders were over 80 per cent. higher than in July 1972. Again, the Ministry comments that the rise is only 42 per cent. if shipbuilding orders are excluded, but shipbuilding orders are still orders.

The Ministry also reported today a fall in July production. Adjusted on the basis of the number of working days in the month, output was down 15 per cent. in June against a normal fall at this time of year of 11 per cent.

This may have been due to earlier summer holidays, as the Ministry notes. Output was in any case 3.5 per cent. up on July 1972 and in the first seven months of the year was up by 7.5 per cent.

## Minister denies bribe story

BY JONATHAN CARR

BONN, September 3.

WEST GERMAN Technology Minister Horst Ehmke today denied that Federal funds had been used last year to bribe an Opposition Deputy into helping the Government win an important Parliamentary vote.

However, at a foreign Press gathering in West Berlin, Herr Ehmke emphasised his readiness to appear before a parliamentary investigating committee to clear the matter up.

Until then the Minister, who is a leading member of Chancellor Willy Brandt's Social Democratic Party (SPD), declined further details.

The committee began its probe into allegations into political bribery last June. It is due to resume closed sessions to-morrow and Herr Ehmke is expected to appear before it later this week.

Neither Herr Ehmke's statement today, nor intensive questioning of government spokes-

men at a Bonn Press conference, has served to clarify newspaper reports linking the Minister with the sum of DM500,000.

The reports say that Herr Ehmke, then Minister in the Chancellery, removed DM500,000 from the Federal cashier's office on April 28, 1972. A spokesman would only say today that Herr Ehmke often withdrew sums.

On April 27, 1972, the Government just survived a no-confidence vote. Former Opposition Deputy Julius Steiner has since said he helped the government win the secret vote, and was rewarded for this with DM500,000.

Herr Steiner claims the sum was paid to him by the SPD chief whip Herr Karl Wienand, on the afternoon of the vote. Herr Wienand denies this. It is only certain that on the following day, Herr Steiner paid DM500,000 into his bank account

in Bonn. A facsimile of the payment slip has been reproduced in a German magazine.

ITALIAN CAR REGISTRATIONS RISE IN JULY

By Peter Tumiati

ROME, Sept. 3.

Car registrations in Italy soared in July reflecting the greatly improved production and delivery situation of the Italian motor industry. In July they totalled 153,989 units against 136,310 in July last year, an increase of 13 per cent.

These figures include imported cars as well as Italian ones but the Italian motor industry accounts for well over 70 per cent. of all sales. A detailed breakdown for July listing the sources will not be available for several months.

## Fresh urgency to end Lip deadlock

BY RUPERT CORNWELL

PARIS, September 3

NEGOTIATIONS TO find a settlement at the four and a half month old dispute at the Lip watch factory at Besançon restart to-morrow, amid fears of an increase in labour unrest throughout France if the present deadlock is not quickly resolved.

It is still uncertain whether the Government-appointed "company doctor" M. Henri Giraud will be bringing new proposals to the small town of Arc et Senans near Besançon, where the talks are taking place.

Since the breakdown of discussions last week there has been no apparent concession by either M. Giraud or the unions on the main stumbling block between the two sides—whether Lip should be preserved as one company, as the workers would wish, or, as the proposals of the Ministry notes. Output was in any case 3.5 per cent. up on July 1972 and in the first seven months of the year was up by 7.5 per cent.

Until this fundamental point has been settled the future of the 1,300 workers, in doubt since the dispute broke out on April 17, is certain to remain obscure. In the meantime the position of the Lip workers who are hold-

ing out against M. Giraud, and his belief that 350 workers will have to lose their jobs under the reorganisation of the bankrupt company, has been further isolated by the appearance of the remodelled Lip company at a stand at the annual watch exhibition that has just opened in Paris.

Eighty employees from the management of the old Lip have been taken on again to run the stand, and it is estimated that they have some 60,000 watches—or 10 per cent. of the former annual output—at their disposal.

What is more, the French national Watchmakers and Jewellers Federation have taken legal action against the "wild-cat" sales of watches by the company, as the workers would wish, or, as the proposals of the Ministry notes. Output was in any case 3.5 per cent. up on July 1972 and in the first seven months of the year was up by 7.5 per cent.

There is still widespread talk of a "march on Besançon" by French workers sympathetic to the Lip men's cause should the deadlock remain. This would clearly have the effect of provoking further industrial unrest at what is already a very delicate moment in the country's social climate.

## N. Africans strike in French race protest

BY RUPERT CORNWELL

PARIS, September 3

MANY THOUSANDS of North African workers in the south of France went on strike today in protest at the outbreak of racial violence that has cost the lives of seven Algerians throughout France in the past week.

Unofficial estimates were that some 60 per cent. of the 30,000 North African immigrant labourers in the Bouches-du-Rhône département had joined the movement. At the Fos steel complex under construction near Marseilles, almost the entire workforce of 3,000 North Africans stopped work, and a

similar turnout was recorded at Aix-en-Provence. However the strike movement was opposed by some immigrant organisations on the grounds that in the present tense situation the most effective way of lowering the temperature would be for Arab workers to continue at their jobs as if nothing had occurred.

At the same time appeals have been multiplying in France for good sense to prevail, following the findings of an opinion poll over the weekend suggesting that over half France's city dwellers were in favour of particularly strong controls on immigrant labour from North Africa.

PROFILE: EUGEN LODERER

## Union power put to the test

BY ANDREW HARGRAVE

FRANKFURT, S.

IF THE spate of strikes in the industrial heart of Germany, including the ugly clashes at Ford, Cologne, has proved anything, it is that the country is increasingly facing the same problems as other Western democracies have done in the past few years.

The growing wage drift fuelled by inflation; disillusionment with the crude materialism of the consumer society coupled with the equally strong urge to claim a larger share of the proceeds; a widening rift between Government and people in industry as well as politics; increasing evidence of extremes—these danger signs are becoming evident in the Germany of today.

The presence of 2.5m. foreign workers, 10 per cent. of all wage earners is a further potential menace as the case of Ford, where the proportion is more than one in three, has shown. For these people, brought into Germany to alleviate chronic labour shortages, are made to do less skilled and hence less well paid work; they are also disliked and distrusted by many of their German fellow workers and the feelings are often mutual.

As a result, the trade union movement in Germany, with a structure carefully built up after the war and held up as a model to other countries, is showing signs of strain. Disaffection at shop floor level, no doubt fanned by extremist groups, is spreading, forcing the leadership to grope for new answers. None more than Herr Eugen Loderer, president of IG Metall (Metalworkers' union), by far the largest in the Federal Republic with a membership of over 2.3m. one-third of the total organised manual labour force.

It is also the largest trade union in the Western world, catering for the whole engineering, shipbuilding, electrical, motor and steel industries. In a British context—at least in theory—Herr Loderer combines the powers of Hugh Scanlon, Frank Chappell, Dan McGarvey, Dai Davis as well as a chunk of Jack

Herr Loderer is 53, of large physical build, smooth and articulate, one of the first generation of German post-war leaders untouched by the upheavals of the Nazi era. He was elected to the presidency 15 months ago on the death of Otto Brenner—a man only 13 years older but one moulded by resistance to the Nazis, a spell in jail—but also by the long

post-war honeymoon with the employers as both sides were attempting to rebuild a shattered economy.

Again, unlike Brenner's steady and gradual after the war in which he had taken part as a soldier. Stemming from an impeccable working class background his father was a brewery worker in Heidenheim, Baden-Wuerttemberg, where he himself was born.

In time, he became chairman of the works council at the local coal-mining works. Then he had a spell of study at Madison University, Wisconsin, and at barely 30 became one of the

Germany's top concern of sales. Herr Loderer, the latter job on Herr Brenner's death, having been deputy of Hans Meisinger, steel and engineering concern.

Theoretically, Meisinger which in its full form only to public companies ensure the worker a voice in decision-making. The achievement, partly on supervisory level already exists in the form of co-determination, is in fact a political issue.

Herr Loderer is as a campaigner for part predecessor or fellow union leaders. He has a two-fold and often dictatorial task in proving, employers that party a amount to the usurpation of management function. ultimate takeover workers, and, at the same time, to his own side that trade would not thereby become more the prisoners of market economy the already are.

There is, of course, explicitly political side problem, too. Herr Loderer's firm Government support membership of the Social Democratic Party. He was the party's chairman for three years he became the union's president. Though unions are not tied in ally to the party as a British counterpart, Loderer and his colleagues just as hard a task sell the party's policies to their members.

Herr Loderer and his Metall colleagues, will join the delegates council, the national council—makes union policy between conferences. Four years later he took over the chairmanship of the region and in 1968, strongly supported by Brenner, became deputy chairman.

One of the hallmarks of German industry is the presence of employees' representatives on supervisory boards, the tier system. In its present form it stems from the days of post-war co-operation. Its name "Mitbestimmung" (co-determination) is revealing—and officialisation.

The employers, caught the vicious spiral of cost and narrowing profit are naturally reluctant to the steel making end of Krupp, which does not make it the union men any as



## Ireland goes to EEC Court over tomatoes

By Lorelies, Olsager

BRUSSELS, Sept. 3.

IN A rare move, Ireland has asked the European Court of Justice to annul parts of a resolution by the EEC Council of Ministers which it considers detrimental to Irish tomato growers. If the plea is successful, there may be more Irish tomato exports to Scotland and Northern Ireland.

Under the Rome Treaty, EEC member countries can have recourse to the court against council decisions in certain circumstances, but the opportunity has hardly ever been taken. Court officials said today the last case they remembered was a complaint by Italy against a competition policy decision in 1964. The complaint was turned down.

Appeals to the court against council decisions are allowed on grounds of lack of competence, infringement of an essential procedural requirement, infringement of the Rome Treaty or of any rule of law relating to its application, and mis-use of power.

Ireland claims that part of the council decision, in which she was out-voted, are not in accordance with the treaty under which she entered the EEC.

The treaty of accession allows the new member States to introduce export subsidies and raise import levies on those fruit and vegetables for which their domestic prices are higher than those in the original founder members or whose domestic production they had protected by quantitative restrictions.

Last May, the council fixed these export subsidies and import levies for Irish tomatoes at a level which Ireland considered insufficient. She wanted the lip export subsidy per pound to be increased on the grounds that the underlying cost of production was unrealistic.

While France supported the Irish case, Britain voted against because, she claimed, a higher subsidy would lead to the dumping of Irish tomatoes on the U.S. market. At present, Ireland is exporting about 4,000 tons of tomatoes to Scotland and Northern Ireland a year.

The Irish complaint has been forwarded to the Permanent Secretariat of the Council of Ministers here for comment. In its reply, the Secretariat is expected to uphold the validity of the Council decision. Thereafter, Ireland will in turn be invited to comment on the Council's reply, and then the Council's views will be sought again.

After this procedure, expected to take until December, the court can open oral hearings, possibly in January.

## Turkey delays aircraft 'decision'

BY METIN MUNIR

ANKARA, Sept. 3.

THE TURKISH Government will not announce which foreign company is to build an aircraft industry for Turkey until after the general election on October 14, according to foreign aviation sources.

The British Aircraft Corporation and Hawker Siddeley of the U.K. and Northrop and Lockheed of the U.S. have made offers to manufacture 300 aircraft for the Turkish Air Force. Evaluation of each offer has been completed. Government to form a committee to choose the sources said. The Government will not give the executive Board.

## OFFER BY MERCABANK LIMITED (MERCABANK) TO PURCHASE SHARES IN GOVERNMENT GOLD MINING AREAS (MODDERFONTEIN) CONSOLIDATED LIMITED (GGM)

(Incorporated in the Republic of South Africa)

On 13th June, 1973, Mercabank announced inter alia that it acquired from Johannesburg Consolidated Investment Company Limited 701,954 shares in GGMA (12.5% of the issued capital), for 25 cents per share on behalf of Mr. Des Fisher who had agreed to make a similar offer to all shareholders of GGMA. At that time a further 1,000,000 shares in GGMA (17.9% of the issued share capital) were held by Henwoods Limited, a company controlled by Mercabank, stated that Henwoods Limited would not accept the above offer so that Mercabank and its associates would acquire control in excess of 30% of the issued share capital of GGMA in accordance with the take-over requirements of the Johannesburg Stock Exchange. Mercabank has instructed the sponsoring brokers, Davis, Borkum, Hare and Conn Inc. (members of The Johannesburg Stock Exchange) to purchase on behalf of Mr. Desmond Fisher any share in GGMA offered to them on the following terms and conditions:

(i) the purchase price payable to South African shareholders is 25 cents per share, net of brokerage.

South African Marketable Securities Tax and fee exchange in Johannesburg (the market price per share on 14th August, 1973, was 35 cents);

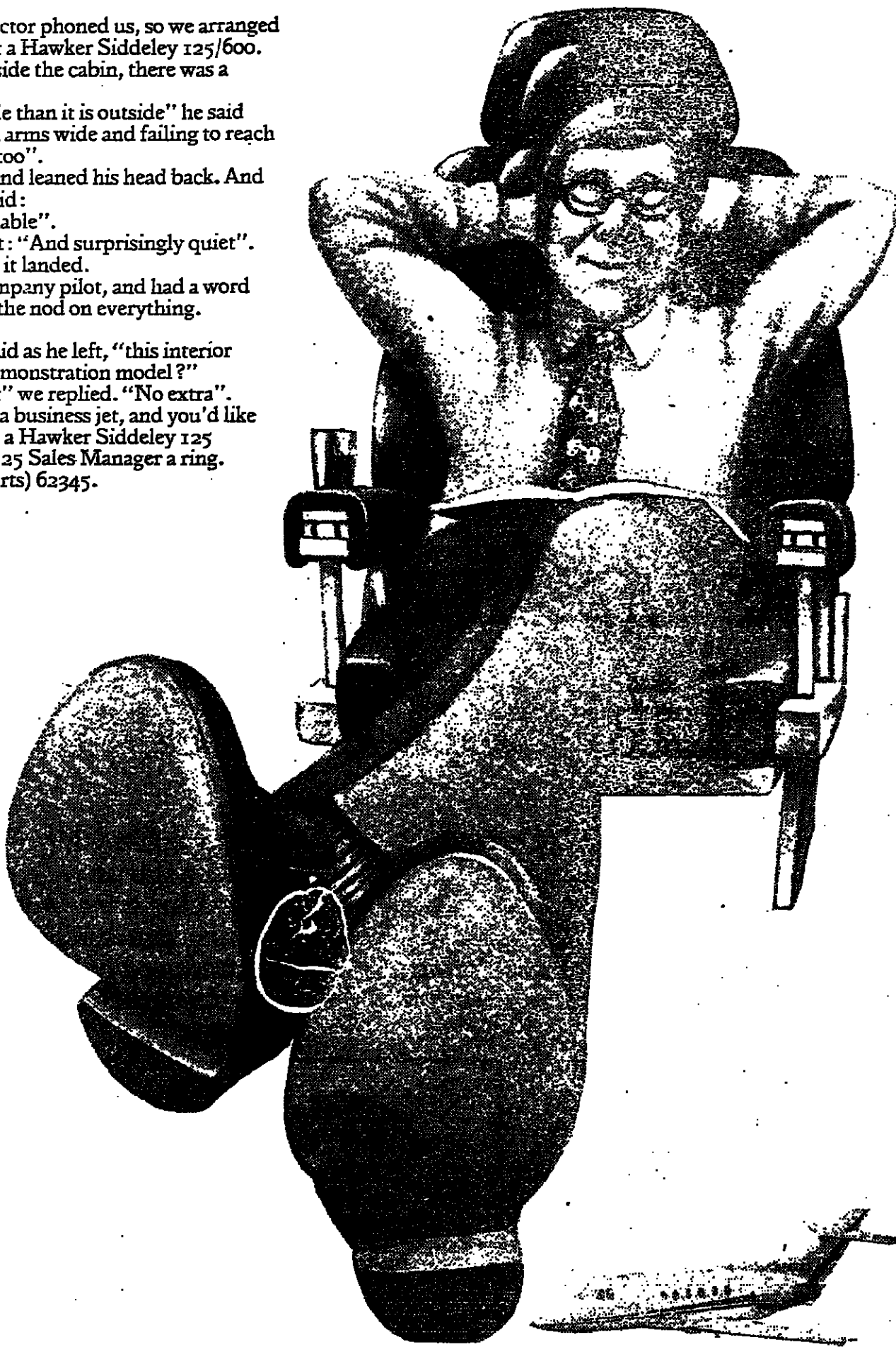
(ii) the purchase price payable to shareholders (reside outside the Republic of South Africa) is 25 cents (South Africa) per share, net of brokerage and South African Marketable Securities Tax and free of exchange Johannesburg, credited to the seller's blocked account at any nominated authorised South African bank, and if the seller does not nominate a South African bank, then the proceeds will be credited to a blocked rand account at French Bank of South Africa Limited, Securities—Arbitrage, 27 Marshall Street, Johannesburg, in the name of the seller.

(iii) the offer to purchase, which is unconditional, shall remain open for the period from 4th September, 1973, to 28th September, 1973, both days inclusive.

(iv) if you are a GGMA shareholder who wishes to take advantage of this offer and are resident in the Republic of South Africa, Rhodesia or South West Africa, contact your stockbroker, banker, attorney or transfer secretaries of GGMA. If you are resident elsewhere, you or your agent should write to London Secretaries of GGMA, Barnato Brothers Limited, 27 Austin Friars, London EC2N 2EY, giving the number of shares you hold in registered or bearer form stating that you wish to accept the offer on the terms and conditions set out in the offer document dated 31st August, 1973. If you accept, you or your agent will be required to surrender your share certificate or bearer warrants to that office within 42 days of the closing of the offer. Shortly thereafter the proceeds of sale will be credited to a blocked rand account in your name as stated in (ii) above and you or your agent will be advised when this has been done.

Copies of the full offer document dated 31st August, 1973, may be obtained from Mercabank Limited in Johannesburg, Lloyds Bank Europe Limited, 43 Boulevard des Capucines, Paris 2e, France, or the London Secretaries of GGMA, Barnato Brothers Limited, 27 Austin Friars, London EC2N 2EY.

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## Composers join attack on Soviet dissident

MOSCOW, Sept. 3. — COMPOSERS Dmitry Shostakovich and others joined in the increasingly hostile campaign being waged in the Soviet Press against outspoken physicist Andrei Sakharov.

The best-known of Russia's living composers, the 66-year-old Shostakovich appeared as a signatory to a letter by 12 Soviet composers and music critics published today in the Communist Party newspaper, Pravda.

Another signatory was Aram Khachaturian, Armenian composer best known in the West for his ballet suite "Gayaneh" which includes the Sabre Dance.

The letter accused Sakharov of making "slandorous attacks" against the Soviet way of life and expressed the signatories' "deep indignation" at recent statements by Sakharov, father of the Soviet atom bomb.

"Sakharov recently declared a personal ban on contacts with foreigners here when he called a Press conference and denounced what he called injustices in the Soviet system."

He warned Western powers against reaching any agreements with the Soviet Union at the next session of the Helsinki security conference.

The official campaign against Sakharov began with the reprinting here of critical reports of the Press conference from foreign Communist newspapers and has been growing steadily with a stream of protest letters to the Soviet Press and radio.

Pravda today printed two others from groups of workers attacking Sakharov and also reproduced a hostile report from the Austrian Communist Party daily Volksstimme.

Among other signatories to the composers' letters, which followed similar protests from leading writers and members of the Academy of Sciences, were Rodion Schedrin, best known for his "Carmen" ballet, Dmitry Kobalevsky and the composers' union chief, Tikhon Khrennikov.

About 25 years ago, Shostakovich himself was the subject of strong official criticism for his musical style and publicly apologised for his "mistakes."

He was accused by the Kremlin of "formalistic and anti-popular tendencies" and after apologising to the Communist Party composed propaganda cantatas.

Sakharov was named at last week's trial of dissidents Pyotr Yakir and Viktor Krasin who were sentenced to three years' imprisonment followed by three years' exile for "anti-Soviet activities and propaganda."

The most prestigious of the dwindling band of Soviet dissidents, Sakharov has been coupled with Nobel Prize-winning writer Alexander Solzhenitsyn in the recent barrage of official criticism following his outspoken criticisms of the Soviet system. Reuters

## Austrian hostility to foreign workers

BY PAUL LENDYAI

VIENNA, Sept. 3.

UNDER RISING popular pressure against the massive influx of foreign workers, Chancellor Bruno Kreisky and spokesmen of the Austrian unions have come out in favour of restrictive measures, primarily in Vienna.

A denunciations campaign of the largest Austrian popular daily and the forthcoming municipal elections in Vienna have combined to transform the question of the so-called "guest-workers" into a highly-charged political issue.

According to the latest report of the Institute for Economic Research the number of officially registered foreign workers rose by 40,000 to a record level of 240,000 by mid-July. They account for 9 per cent of gainfully employed people (2.6m.).

As, however, the "illegal workers" that people come here by tourists and find employment without a labour permit are estimated to total tens of thousands, the real share of the foreign workers may be over 10 per cent of the domestic labour force.

Every fifth person employed in the construction sector is a foreigner and in such branches as textiles, catering and metal industry the proportion of foreign labour is well over 15 per cent.

The business community issued warnings against a ceiling to be imposed on the foreign labour force since this would only sharpen the labour shortage and thus give a further push to inflationary pressures.

The unions, however, regard 9 per cent of the labour force as the absolute upper limit and are pressing for "strict control and limitations."

In view of Austria's longest post-war boom cycle, the number of foreign workers during the past two years has jumped substantially and in Vienna alone their number has increased since 1972 from 75,000 to 92,000.

Many of them are exploited by landlords who charge exorbitant rents and various areas of the Austrian capital are in danger of becoming slums.

The campaign waged for weeks by the country's largest popular newspaper has already given an ominous stimulus to racial prejudices.

## Revaluation of schilling 'not damaging exports'

BY PAUL LENDYAI

VIENNA, Sept. 3.

DESPITE TWO revaluations of the Austrian schilling this year, the major branches of the economy and in particular exports are booming with no sign of an appreciable "cost off."

This is the gist of the latest monthly report issued by the independent Institute for Economic Research.

The figures clearly show that the gloomy forecasts about "how to exports" have not yet been borne out by actual developments.

Thus exports in June for example were 11.5 per cent up on the figures registered during the same month in 1972.

During the first six months, exports, according to provisional statistics, jumped by 15 per cent.

Particularly important is the reference of the survey to the fact that during the past few months, exports to Italy and overseas developed countries, that is areas with currencies against which the schilling depreciated, were rising particularly fast.

By contrast, imports from Japan kept growing despite the revaluation of the Yen while purchases from the U.K. showed a much smaller rate of growth— notwithstanding the de facto devaluation of the pound.

The figures have caused something of a sensation here because the leader of the main opposition party, Herr Scheinzer only a few days ago raised the prospect of a devaluation of the schilling in the wake of alleged export difficulties.

During the spring and early summer season industrial output was raising at an annual rate of 7 per cent, the report states.

Construction is booming and the labour market is as tight as ever.

The year-on-year rise of prices has slowed down from 8.1 per cent in May to 7 per cent in July.

The monthly rise (at a rate of 0.4 per cent) during the first half of 1973 is described as being "relatively moderate" compared to other West European countries and also to the domestic rate of inflation registered during the second half of 1972.

Seasonal factors and the forthcoming new round of wage negotiations have clearly played a major role.

## Norway still studying oil exploration in North

By Fay Gjester

OSLO, Sept. 3.

NORWAY'S MINISTRY of Industry announced today that foreign oil companies will not be allowed to explore for oil in the North Sea continental shelf north of the 62nd parallel.

In a TV broadcast this evening, the Minister of Industry, Mr. Ole Sjaak Braek, said the whole question of development north of the parallel was still being studied by his Ministry, and it would be the subject of a White Paper which the Ministry expected to present to the Storting (Parliament) in the autumn.

To-day's official statements followed a meeting between Mr. Sjaak Braek and the director of the State Oil Company, Mr. A. Johnsen, to clear up what appeared to be a disagreement between them.

Mr. Johnsen had been reported as saying, late last week, that foreign oil companies would be excluded from exploration north of the 62nd parallel—a report which provoked a strong reaction from Mr. Sjaak Braek, who said oil policy issues such as these were the province of his Ministry and of the Storting.

It subsequently emerged that Mr. Johnsen had been incorrectly reported. The disputed speech, made to a closed meeting in the North Norwegian town of Harstad, apparently merely contained the prediction that development in northern waters might well be entrusted to a trio of Statoil (the Norwegian State Oil Company), Norsk Hydro, and the Saga Petroleum group, backed by a number of leading Norwegian industrial concerns.

On TV to-night the Director of Saga Petroleum, Mr. Otto Grieg Tiedemann, confirmed that his group was interested in co-operating with Statoil in development north of the 62nd parallel, but added that this development still lay "well in the future."

At present there were "great tasks" to be undertaken south of the parallel. But he agreed that by 1975 the three might well have acquired the expertise necessary to drill for oil in the North without the participation of foreign concerns.

## Marchais hits at French ties with Spain

PARIS, Sept. 3.

FRENCH COMMUNIST Party leader Georges Marchais today charged the Government to abandon its policy of close co-operation with Spain and halt arms deals with General Franco's Government.

M. Marchais, in a letter to Prime Minister Pierre Messmer, expressed the Communist party's concern over the Government's recent moves to help Spain join the Common Market.

He criticised a visit to Spain by French Foreign Minister Michel Jobert for talks with his Spanish counterpart, Senor Lopez Roda last week and a subsequent statement by President Pompidou in which the French President expressed his interest in seeing Spanish membership of the Common Market.

M. Marchais asked the Prime Minister whether "France should not oppose Spain's entry into the Common Market, as do the other countries of the EEC, instead of being so enthusiastic about strengthening its links with Franco's dictatorship."

Reuters

## DUTCH CARTRIDGE PRICE-FIXING PACT ENDS

By Lorelies Oslager

BRUSSELS, Sept. 3.

Dutch suppliers and retailers of hunting gun cartridges have ended a price-fixing and exclusive sales arrangement following complaints from the European Commission. It was announced here today.

The Commission told 12 Dutch suppliers and some 500 retailers last May that the arrangement was contrary to the free competition provisions of the Rome Treaty.

Fay Gjester, Oslo Correspondent, reports that anything could happen in Sunday's Norwegian elections, including a sharp shift to the left.

## Almost as many predictions as there are parties

CAMPAIGNING for Norway's parliamentary elections on September 9 and 10 is taking place in an atmosphere of political confusion unparalleled in the country's recent history. The outcome of the vote, even at this late stage, is almost impossible to predict.

The present Government is a non-socialist minority coalition formed by three anti-EEC parties after Norway's "no" vote in the EEC referendum last year. The three—Liberal Party, Christian People's Party and Centre (Agrarian) Party—agreed to form a Government when Mr. Trygve Bratteli's pro-European minority Labour Government resigned as a result of the vote against entry.

The Government's Parliamentary basis is narrow. Its member parties hold only about a quarter of the seats in the Storting. Without the active support of the pro-European, non-socialist parties, it is doubtful if it can continue in office after the election—even if the socialist parties fail to secure a majority in Parliament.

Whether this support will be forthcoming—perhaps by the pro-Europeans agreeing to join the coalition—is one of the question marks hanging over the election campaign.

The EEC debate disrupted traditional party structures. Anti-marketisers have deserted the Labour Party to join a new Left Alliance, consisting of the Communist Party, the Socialist People's Party, and of independent socialist. Pro-marketisers have left the small Liberal Party to form an even smaller one, the New People's Party. Moreover, the debate on Norwegian Common Market entry focused

public attention on many other issues which cut across traditional party lines—the threat to the environment, both physical and social, of too-rapid industrialisation and centralisation, the need for a more "human," less competitive and bureaucratic society, the role women should play.

For some who found the old parties' answers unsatisfactory, the solution was to form a new party. In Norway, all one needs to do this is 1,000 signatures on a petition. There is no penalty—such as the British forfeited deposit system—for failing to deliver the votes on polling day. This year, a record number of political parties and groups—about 13, at the last count—will be putting up candidates for the 155 seats in the new Storting (Parliament). Of these, nearly half have been formed during the past year, and the causes they champion include Women's Lib, Maoist communism, Lapp-land's rights, lower taxes for single people, and lower taxes for everybody.

Most of the newer parties are unlikely to get even one member apiece into the new Storting. Their very presence in the race, however, will distort traditional voting patterns, and could cause freak results in some constituencies. It makes forecasting, on the basis of opinion polls, an even trickier business than usual.

Two of the newcomers can expect to win quite a few seats from the older parties. On the right there is Anders Lange's "Party for the Sharp Reduction of Taxes, Levies and Public Interference," founded by Mr. Lange, an eccentric 63-year-old dog breeder who lives in the

country near Oslo and publishes a far right news sheet at irregular intervals.

Recent polls had given him about 5 per cent of the vote which could mean three seats in the new Storting. But the latest Gallup poll, published yesterday



Mr. Lars Korvald

gave him only 4.6 per cent, prompting him to accuse the Norwegian Gallup Institute of "deliberate election fraud."

The directors of the Institute rejected his charge while the poll in fact revealed very little new.

By taking votes from traditional parties of the Right, Mr. Lange's party could, of course, tip the balance in favour of the Left Alliance.

But the socialists are split, too. In the past, the Norwegian Labour Party has virtually mono-

polised representation of the socialist and working class vote, as its rivals to the left, the Communist and the Socialist People's Party, were too small, campaigning independently of one another, to win many seats. In the last general election, four years ago, they failed to win any. This year, many former Labour supporters will be voting instead for the new Left Alliance, including both Communists and SPP. The Alliance is expected—according to an analysis of a recent poll—to win about 10 seats in the Storting, compared with 73 predicted for Labour.

If that prediction should prove close to the mark, Labour will lack an overall majority in the Storting, but together with the Left Alliance will have a substantial majority over the five "bourgeois parties"—the Conservatives, Liberals, Christian People's Party, Centre Party and NPP—plus Mr. Lange. In that event, the present "mini coalition" of Liberal, Centre and Christian People's parties would resign and a minority Labour Government would follow.

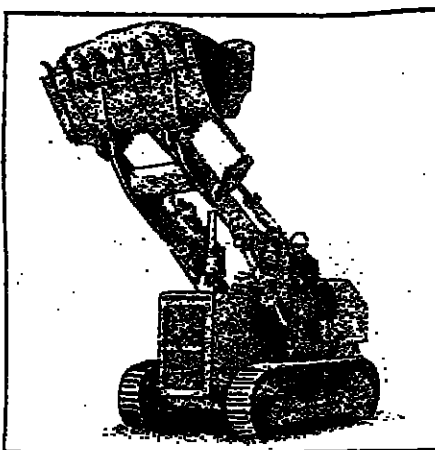
A minority Labour Government would probably bring about a decisive shift leftwards in Norwegian politics. Such a Government would have to seek support for its policies from issues to issue, and the signs are that it would look more often to the left than to the right, partly to prevent further defections of its own left-wingers. For example, the Labour Party has promised to bring the country's commercial banks under some kind of public control, and to establish a State commercial bank. Any moves in this direction would have the enthusiastic support of the Left Alliance.

In response to a direct challenge from the Alliance, Labour has promised "critically to evaluate" spending on defence. Labour has also promised fair concessions for the lower income groups, to be offset by continued harsh taxation of large incomes, and without any cutbacks in public spending.

At this stage, however, a socialist victory is by no means certain. The possibility of a non-socialist majority in the Storting cannot be discounted—and what then?

Mr. Lars Korvald, leader of the Christian People's Party and Prime Minister of the present coalition Government, would like to see the coalition expanded, to the event of a non-socialist majority, to include the Conservatives and possibly the New People's Party as well. His partners in the Centre and Liberal parties have been unenthusiastic about this idea, unless the Conservatives and NPP agree not to revive the EEC issue during the four-year term of the new Storting—a condition which the two pro-market parties were at first indignantly unwilling to accept.

Lately, however, there have been indications that attitudes are softening on both sides. Leading Conservative politicians have commented that the EEC issue is not, after all, very likely to arise again during the life of the next Storting. And anti-marketiser Mr. Per Rorten, former leader of the Centre Party and Prime Minister in the old non-socialist coalition, has warned against adopting "inflexible attitudes" in advance of polling day. In a speech last week he said the election could create a situation which would require "unorthodox solutions."



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OVERSEAS NEWS

From a visit to Kabul, David Housego reports that the reforms promised by the new regime are well beyond Afghanistan's resources.

# Islam and nationalism mixed

AFGHANISTAN'S independence Day celebrations, which the new regime had been expected to use as an occasion to demonstrate its popularity, were abruptly cancelled a short while before they were to occur on August 23. According to some accounts in Kabul the reason was that a handful of people had been caught trying to plant explosives in an arsenal close to the grounds in Kabul where the festivities were to have been held. Others believe that the new Government was fearful of any gathering of the armed forces which normally take part in the ceremonies.

President Mohammed Daud, who had been expected to speak to the nation on Independence Day, waited until the following day to make his address. It added little to his previous public statements, promising reforms and greater social justice. The details he did give, such as a commitment to introduce agriculture and consumer goods co-operatives, minimum wage levels, social security, and improved health and education systems, are for the time being well beyond both the resources of an almost bankrupt country and its disorganised bureaucracy.

## Forthright

The most forthright declaration in his speech was that Afghanistan would not join any military bloc, which closes the door for the time being on the possibility of a new Treaty of Friendship with Russia. Presumably, however, Afghanistan, like Iran, could subscribe in principle to the Russian idea of Asian collective security. Mohammed Zahir Shah, former King, fought off continual Russian pressure to go so far, arguing that the Brezhnev doctrine included the inevitability of frontiers, and that Afghanistan could not recognise the permanency of its border with Pakistan. President Daud is a far stronger opponent of what he considers an artificial border imposed by the British in 1953 and which divides the Pathan peoples.

## Planning

The crowds on the streets of Kabul, the absence of troops from all but a few strategic points, the almost daily accounts in the Government-managed

press of support for the new regime in provincial towns give a deceptive picture of a Government unified and in full control. Discussions have arisen within the Central Committee, of which planned the July 17 coup, and which retains a dominant position in the new regime. Sardar Daud is head of the Committee.

It is still not clear whether it was Sardar Daud who instigated the overthrow of the monarchy or whether the initiative came from a section of the largely Russian-trained officer corps who drew him into the plot as being a member of the royal family and thus, in a tribal society, the only person with the authority to hold the country together in the aftermath. What does seem clear is that the plot was internally organised: the Russians may have had advance warning, but did not directly prompt it themselves.

Sardar Daud at 65 is vigorous and forceful. He has behind him the majority of his fellow Pathans who compose half of Afghanistan's estimated population of 17m, and he is far more popular with the noisy student community of Kabul than the reluctant Zahir Shah. He was Prime Minister between 1963 and 1962, and has brought back to power with him some of his former associates.

Their relations with the young Russian-trained officers who form a majority on the Central Committee are at the best described as "uneasy". The Russians are added to ideological differences about whether Afghanistan should have a centralised economy, what balance to strike between the public sector and private enterprise, and how to reduce the power of the mullahs (priests), while holding to the tenets of Islam. Strains within the Committee may have helped to delay the appointments of a Planning and Commerce Minister and the establishment of a commission to draft the new constitution.

It would seem that Sardar Daud's hand is behind the insistence on non-alignment and the public refusal to join any in the Government-managed military bloc. He has also been

## Suspicion

President Daud has said that he plans to concentrate on internal development. Most of the ministerial posts have now been filled. An Afghan Cabinet formed in Kabul, however, it is believed that a number of people who Sardar Daud wanted refused to join the Government and the Cabinet is thought of as containing too many nonentities or young, and inexperienced Ministers.

Impatience that nothing would change while Mohammed Zahir Shah remained King was probably the most important factor that prompted the younger officers to intervene in politics. They also seem to have shared the widespread suspicion of Musa Shah's elegant clothes and taste for good living, even though he was the most energetic Prime Minister in 10 years.

Without an efficient administration, Sardar Daud cannot hope for an improvement in the economy. And without an improvement in the economy he cannot hope to meet the expectations aroused by the coup of higher living standards and more jobs. Both are immensely difficult targets to achieve. The danger in Afghanistan now is that the ease with which the July coup was carried out will tempt others, frustrated by the slow pace of change, to a repetition.

# Amin sets tough rules for tourists

By John Warrall

NAIROBI, Sept. 3. TOUR OPERATORS in Nairobi were slightly staggered to-day to learn of the tough conditions laid down by Uganda when it re-opens its doors to tourism next month.

General Amin wants package tours and groups to pay the whole of their costs in advance in foreign currency. Tourists must also deposit their passports on arrival at Uganda hotels. They will be given an identity card which they can exchange for their passports when they leave the country.

Tourists arriving at the border in operators' cars and coaches must transfer to Uganda-owned or operated vehicles, which they must use during their stay.

The Uganda Government has sent a four-man team to Nairobi to promote the tourist industry which collapsed after General Amin closed the borders.

# Waldheim tours Jordan frontier

AMMAN, September 3

UNITED NATIONS Secretary-General Kurt Waldheim to-day toured the Jordan-Israel ceasefire line by helicopter and received appeals for help from Palestinian refugees.

On the last stage of a nine-day Middle East fact-finding journey, he flew along the Jordan River valley and visited a refugee camp near Amman.

Officials presented Dr. Waldheim with three memoranda urging the United Nations to find a just solution to the Middle East conflict, based on the withdrawal of Israeli troops from occupied Arab land and the return of Palestinians to their homes.

In the course of his helicopter tour, Dr. Waldheim visited the King Hussein bridge, where Arab and Israeli troops face each other across the Jordan river. He also stopped at the Schneller refugee camp near Amman.

Reuter

# U.S. flood relief scheme begins in Pakistan

BY IQBAL MIRZA

THE FIRST of six huge C-141 U.S. transport planes have landed at Karachi Airport to help transport petroleum products and other fuels to Lahore and Islamabad. The two-hourly planes, manned by 120 U.S. personnel, have been sent by the co-ordinating committee, established by Washington in answer to Pakistan's request for flood relief aid. They are part of the U.S.\$30m. flood relief assistance to Pakistan.

Some 100,000 metric tons of wheat is also expected to arrive soon to help alleviate food shortages in the country.

Flood waters, just before draining out into the Arabian Sea, have worsened the situation in the area, and could, according to estimates, inundate an area of about 40 square miles, mostly devoted to paddy cultivation.

Elsewhere in Sind and Punjab the situation has considerably improved. Colossal losses caused by floods in Sind and Punjab are still in the process of being assessed but initial official estimates put them to be about 2,000,000 in Sind and in Punjab, dislocating nearly 10m. people and affecting 10m. acres of land, causing crop loss to the staggering extent of about 50 per cent. of her cotton crop.

Pakistan's forecast for the current cotton season was 4.2m. bales. Estimates are that at least 25 per cent. of the crop (about 1m. bales) has been lost.

International and local weather experts had forecast a heavy rainfall this year but these warnings were taken casually. The irrigation system in the Indus industry, which are about 3.4m. Basin in Pakistan commands anables.

area of 33m. acres, of which 24m. acres are irrigated annually. In Punjab, the total area under rice, cotton, maize and sugar cane this year was 12m. acres, of which 2m. (18 per cent.) has been totally damaged. Pest invasion of a very grave nature has been reported from rice and cotton growing areas due to the prolonged spell of humidity. In Sind, around 300,000 acres of cultivable land has been inundated and damage to standing crops of cotton, rice and sugar cane has initially been placed at about 1,000m.

A total of 5,500 villages, housing about 2m. people, have been either totally destroyed or greatly damaged. Sind alone immediately requires 300,000 tons of wheat, 5,500 tons of pulses, and 10,000 tons of edible oil.

Last year Pakistan had exported cotton worth 1,000m., but this year it may have to import silver fibre to meet the shortfall.

Dr. John McLaughlin, Deputy Special Assistant to President Nixon on refugees and disaster, who undertook an aerial survey of the flood-hit areas of Punjab and Sind, and showed the extent of the disaster and said Punjab has lost about 50 per cent. of her cotton crop.

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International and local weather experts had forecast a heavy rainfall this year but these warnings were taken casually. The irrigation system in the Indus industry, which are about 3.4m. Basin in Pakistan commands anables.

Worse could still happen. Fear of spreading epidemics and shortages in foodstuffs, and a dearth of life-saving drugs and medicines are in short supply. Prices of essential commodities have registered a sharp increase, and meat, rice, onions and several other items are becoming prohibitively expensive for many people. Government efforts so far to keep prices within reasonable limits have not borne positive results.

Our Calcutta correspondent wrote: Excessively heavy rain for the past three days over wide areas in lower West Bengal has caused extensive floods in the three districts of Midnapore, Birbhum and Bankura, affecting an estimated 1.5m. people. The loss of life reported so far has been mercifully few thousands of houses have been submerged, washed away or badly damaged.

Thousands of acres under rice have been submerged, but the State Government has just ordered its relief distribution machinery into swift action. It has look after the hundreds of homeless families who have been collected on the highways and are likely to be starting to remain marooned in pockets of flooded areas.

It is feared in government circles that, should the rain continue for some more days, the affected districts, the problem would be grave and there would be heavy loss of life and property.

# India seeking new EEC pact

BY K. K. SHARMA

INDIA WANTS to scrap the draft of the commercial co-operation agreement which is at an advanced stage of negotiation with the European Economic Community.

The Indian Government has decided to seek a new kind of agreement which spells out a list of measures aimed at correcting the country's highly adverse trade balance with Europe.

The earlier draft is felt to be innocuous and merely to present in consolidated form concessions which are being given already by individual Community members or those which are being negotiated in respect of duties on jute and other commodities.

The draft also provided for formation of a Joint Commission which would be a permanent forum for further talks with the EEC. Nothing was said specifically about the kind of work that a joint commission would do.

India now feels there is no need to enter into a rapid agreement. The Ambassador to the Community, Mr. K. B. Lal, has therefore proposed a new draft specifying institutional support for correcting the trade gap and dismantling tariff quotas and internal duties on Indian goods. It also seeks an international division of labour by giving over to India industrial fields in which this country has a comparative advantage.

It also takes note of concessions expected to be negotiated at the forthcoming meeting of the General Agreement of Tariffs and Trade (GATT).

In asking for a new form of agreement India is using as a lever the joint declaration of intent embodied in the agreement through which Britain entered the EEC. This stated that a reduction in the overall EEC tariff.

by 1973.

Reuter adds: Sir Christopher Soames, the EEC foreign trade Commissioner, said in New Delhi he envisaged a substantial in the EEC tariff on jute and other commodity imports from India before the end of the year.

Sir Christopher, who arrived yesterday for three days of talks with Ministers and officials, said there was every chance of the reduced tariff being established within the next few months.

He said that on January 1, 1974, Britain would, as part of its agreement on EEC entry, have to impose a tariff of 40 per cent. on jute imports. But he was certain this would be offset by the opportunities offered by a reduction in the overall EEC tariff.

# Japanese consortium in Iraqi oil deal

TOKYO, Sept. 3.

FOUR Japanese companies have agreed in principle to purchase oil directly from Iraq, Tokyo Menka Kaisha, a trading firm said to-day.

However, officials denied earlier reports that a provisional agreement to this effect has already been signed.

Toyoko Menka said the Japanese are examining the idea of lending Iraq \$500m. as part of the transaction. Hopefully, officials said, a large part of these funds would come from Japan's Government-sponsored Export-Import bank and the country's overseas economic co-operation fund.

The major point of contention in the negotiations is a request by Iraq for an interest rate of less than 6 per cent. on the loan. The Japanese believe that 6 per cent. should be the bottom limit, and even that would be difficult in current money market conditions. The loan would mature in 10 or 12 years, the officials said.

Toyoko Menka said that the amount of hydrocarbons to be purchased would depend upon the terms of financing.

AP-DJ

# Vietcong political arm a puppet, says Thieu

BY STEWART DALBY

SAIGON, Sept. 1

PRESIDENT Nguyen Van Thieu said his Government holds all the South Vietnamese has made his right credentials: belonging to the non-aligned conference in or alliance.

Reuter reports from Hanoi that Prince Norodom Sihanouk, head of the Cambodian exile government in Peking, has called on Cambodian soldiers to abandon President Lon Nol's government "before it is too late".

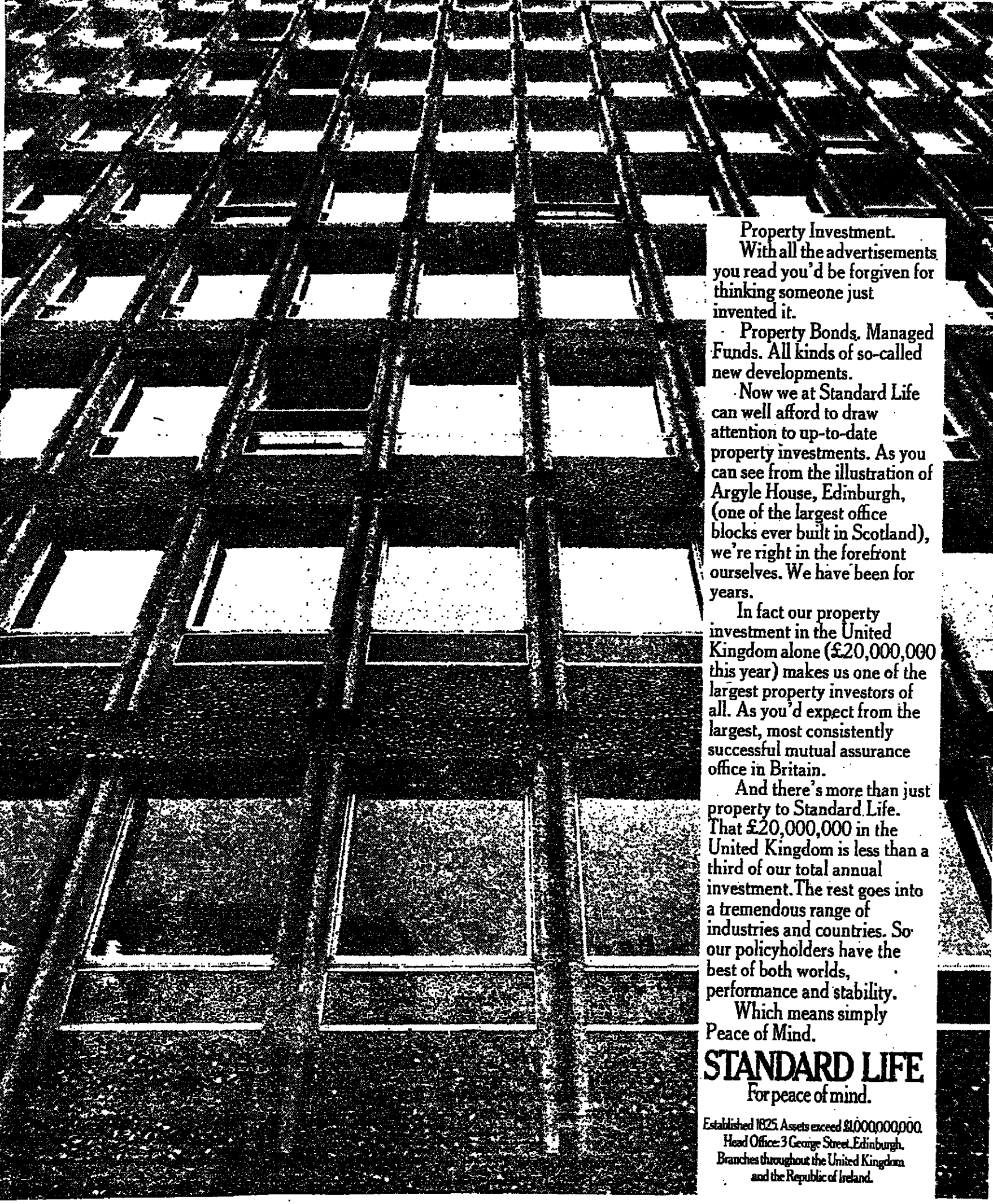
In a message quoted by the New China News Agency to-day, Sihanouk said the United States real government nor is it aligned. He claimed that, on the contrary, it is a puppet organisation created and directed by Hanoi to further North Vietnam's expansionist ambitions in South Vietnam.

Although the PRG participated in last year's non-aligned conference in Georgetown, and is also apparently attending in Algiers it is not clear whether the PRG is to be admitted as a permanent member of the conference. This, it seems, is to be decided in Algiers itself.

Mr. Thieu has been at pains lately to try and step on any attempts by the PRG to promote itself diplomatically and recently sent a number of his Government members to various countries around the world to head off PRG attempts to win friends.

Although his Government is not seeking a seat at Algiers for itself, President Thieu claimed capital.

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From the smallest shop to the largest factory - everywhere you go you'll find Initial towels, and it's because we're the best that we're the biggest. But did you know for instance that we fit cabinets free of charge? And did you know that there is no charge made for lending you the towels either? All you do pay for is the service - the most personal... most reliable towel service there is. Anywhere! Whether you need one towel or one thousand you get a service tailored to your needs - fresh, clean, personally identified towels delivered as regular as clockwork. All for just a modest fee paid monthly in arrears.



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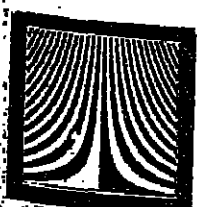
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# The Technical Page

EDITED BY ARTHUR BENNETT AND TED SCHOETERS

## DESALINATION

### Solves the worst desalting problems

NEW technology developed by Ciba-Geigy (UK), in collaboration with the United Kingdom Atomic Energy Authority, looks like providing a breakthrough in the control of scale in high temperature desalination plants. Ciba-Geigy are claiming that the product, based on a polymeric carboxylic acid, is effective with brine temperatures up to 250 degrees F, has minimal handling, storage and corrosion problems, and will reduce operating and capital costs on new high-temperature plants.

The company has designated the product Belgard EV. It is an extension of the recently introduced Belgard 500s range of water treatment chemicals.

The brief for Ciba-Geigy's research team was to find an effective scale control agent that would operate at high temperatures, without the serious problems associated with acid dosing.

High operating temperatures are essential for economic large-scale production of potable water by desalination.

After five years of research, the product is undergoing final field trials on multistage flash plants in the Gulf. Results to date show that the brief has been more than fulfilled and the product has emerged that will solve one of the most pressing problems facing desalination operation and design: how to control scale in high temperature plant, without having to use acid dosing.

Before Belgard EV there were only two methods of preventing alkaline scale formation in desalination plant: dosing with polyphosphate additives, and acid dosing. Polyphosphate additives are not effective above 190 degrees F and are therefore not suitable for high temperature applications and acid dosing using mainly sulphuric acid, has considerable handling, corrosion and dosing problems. Increased capital costs for storage and dosing facilities also result from acid dosing.

Belgard EV operates by two distinct chemical actions to prevent hard scale formation on heat transfer surfaces: the threshold effect and "crystal distortion". Threshold agents act in less than stoichiometric concentrations, preventing or retarding the precipitation of potential scale-forming salts. Crystal distortion retards hardness salt precipitation and reduces the number of nuclei available for scale formation. Larger non-crystalline particles are, therefore, produced which incorporate the active ingredient into the structure as it grows.

Normal regular crystals are this way completely distorted and there is no adhesion between the individual precipitated particles or between the particles and any solid surfaces in contact with the sea-water. This distorted form of the "hardness precipitates" make them easily dispersible and the normal flow of water in the distillation plant is sufficient to keep them on the move until the precipitates leave the plant by the normal processes.

Winning fresh water from the sea by means of desalination is now an established industrial process on which an increasingly large number of communities depend for their domestic and industrial water requirements. Installed world capacity of desalination plant is around 400m. gallons of water/day. A recent study indicated that by 1990 over 1,500m. gallons of water/day outside the U.S. could be obtained by various forms of desalination.

The company operates from Simonsway, Manchester M22 5LB.

## COMPUTING

### Major file created in a month

CLASSIFIED directories are among the most complex of commercial records and cost of maintaining them manually is becoming almost prohibitive.

OCR computer techniques, by which mixed alphanumeric information can be processed quickly and economically, are providing a ready answer to the problem. A project of this kind has just been undertaken on a major trade directory. Jointly involved were Computer Services Centre and Bellard, two London organisations who operate a combined OCR service designed particularly for large file creations. The contract involved the transfer of the whole classified section of the directory, about 250,000 entries, to magnetic tape. This will be the basis of an on-line retrieval system, and will provide a comprehensive information service for subscribers.

The whole job took only a month to complete. Bellard undertook the preparation of the scanning documents in OCR type. These were then processed by CSC's Scan Data 300 installation. One of the main problems in a directory of this size is the amount of duplication of names

### NCR closer to Control Data

NATIONAL CASH Register Company and Control Data Corporation have announced formation of the CDC-NCR Advanced Systems Laboratory to conduct joint architectural design of future computer central processing units, bringing the two companies closer together than ever.

The new organisation has been established to carry forward activities leading to an integrated and compatible line of computer mainframes and software to be produced by NCR and CDC. The step is being taken under the broad co-operative programme announced by the two companies in January 1972, to expand the future role of each in the general purpose computer industry.

Actual hardware and software implementation will be carried out within the two companies under the cognizance of the Advanced Systems Laboratory.

During the past 18 months, teams of CDC and NCR personnel have worked extensively on the compatibility programme. For proprietary reasons, detailed architectural plans for the two companies' future systems are not being disclosed. However, include significant compatibility accommodations for current users of both companies' systems.

Establishment of the laboratory does not affect the previously stated position that future computer central processing units, bringing the two companies closer together than ever.

## CONFERENCES

### Rethinking research orientation

EUROPEAN Government officials and industrialists are meeting in Milan in October to discuss the long-term future for research and development activities in western countries.

The six-day conference — "Changing Environment of the R and D Manager" — has been called by the International Institute for the Management of Technology (IIIMT) in association with the European Industrial Research Association (EURIMA).

It seeks to identify the new R and D opportunities which are opening up and which may reverse the present trend in which R and D directors are finding it harder to obtain company funds for research programmes.

In the United States, Britain and France, there has been a distinct levelling-off in government-supported and private-sector R and D spending. But the similar changes are occurring elsewhere in Europe and there is now widespread recognition that researchers will be required to solve a number of difficult problems in the next decade in most advanced countries.

The conference will take place from October 22-26 at the Milan headquarters of EURIMA under the chairmanship of GKN's Director of Strategic and Technical Planning, Dr. Brian Williamson.

### Welding low temperature plant

THE WELDING Institute is arranging an International Conference in London from November 20 to 22 on "Welding low temperature construction plant" which it says will provide material suppliers, designers, fabricators and users with an opportunity to study and discuss the welding aspects of low temperature plant design, construction and operation.

The Institute points out that the plant required is inevitably fabricated by welding so that structural safety and integrity, and the economics of construction and operation, must depend in large measure on the successful application of the latest advances in welding technology.

Many of the technical developments in low temperature engineering have involved advances in the fields of welding design, materials of construction and fabrication processes.

Basic studies of materials will include extensive reference to nickel steels and their properties in welded form: the welding of nickel iron, aluminium alloys and stainless steels will also be covered, together with the development of new constructional steels. Design requirements and construction and operating experience relative to land storage tanks, pipelines and ships' cargo tanks will form significant sections of the proceedings.

The 30 papers to be presented and discussed at the Conference have been submitted from many countries. Details of the programme may be obtained from Roland Newman, Director of Education, The Welding Institute, Abington Hall, Abington, Cambridge CB1 6AL.

### PACKAGING Laboratory heat sealer

A HEAT sealer for flexible packaging materials, specially designed for use in laboratories and quality control departments, has been developed by British Cellophane of Bath Road, Bridgwater, Somerset.

High standards of instrumentation give the sealer precise dwell time control with an accuracy of 0.025 seconds at full scale setting. Temperature control is also very accurate to more than plus or minus 0.5 per cent, at the maximum reading.

Accurate pressure control is another claim for the sealer with settings obtained down to 0.5 lbs per square inch. Even greater accuracy at low pressure settings can be achieved with a special control available as an optional extra, which has an enlarged 0.5 lbs per square inch scale.



To preserve an original Nash facade at Ulster Terrace, in London's Regent's Park, while the remainder of the building is demolished and replaced by a modern office and residential complex, a high-strength resin anchorage technique developed by Chemical Building Products, of Henkel Hemphel, Herts, and combined with an intricate system of shoring and underpinning, is being used. Here one of the 650 specially manufactured 8" by 24" long deflected stainless steel bolts used is being placed. Each anchor—designed to allow for adjustment in the bond length to compensate for the poor condition of the ageing brickwork—has an axial pull-out value of

one ton working load with a safety factor of 2. After insertion the deformed high-tensile bolts are rotated through the resin cartridges to ensure adequate mixing. After a short curing period this provides the bars of tremendous strength. The tie bars, when embedded in the new concrete backing wall, form an integral slightly flexible link of great strength between the old facade and new structural wall. When completed by Bovis early in 1974, the reconstructed building will provide modern office facilities and luxury residential flats, while retaining the classic lines of Nash's original concept in the north and east elevations.

## SAFETY

### Solid-state fire hazard detector

A RELATIVELY cheap, small unit that can be flush-mounted in a wall and will detect small traces of exhaust gas, fire smoke, hydrocarbons, town gas, North Sea gas and other substances is now available from Electromet Counter of Ruckings, Ashford, Kent, TN26 2EF. It is manufactured by P. H. Electronics of Sandwich, Kent.

The device uses a semiconductor of Japanese origin which it is believed functions on the basis that the surface of the semiconductor is doped by the presence of certain contaminants and experiences a change of electrical resistance. The change is sensed by the appropriate electronics to operate an integral alarm, or an optional trace is used to activate whatever external warning devices are desired. There are no moving parts whatsoever.

Further details of the semiconductor were not forthcoming from Electromet Counters, but the doping process is reversible in that the detector can be "cleaned up" by a built-in heater after it has been actuated. It is claimed that the semiconductor will remain stable after 50,000 such exposure-actuations, and after exposure to steam (likely to be encountered during fire-fighting action).

The device is being marketed under the name "Elohound" and would normally be set to detect a level of about 1,000 parts per million where smoke and town gas are concerned. This setting can be varied to accommodate a high level of background pollution if required. The device is self-contained, running from mains or battery and has only a low voltage within the unit except for the mains input to a transformer.

No initial calibration or external wiring (other than a supply voltage) are needed. Furthermore, at about £15 per unit more secure multiple installation is not unreasonably expensive.

In such an installation, each unit is quite independent of all the others and so is unaffected by a fault in any of the others. Such a system effectively monitors the atmosphere of any area or building and will give instantaneous warning of the slightest trace of pollutant. No maintenance is required. The size of the unit is 4 x 4 x 2 inches.

Expected applications are in hotels, shops, factories, flats, offices, stores, and kitchens. The device could also be used as a ventilation controller in process workshops or carparks.

Models are available for use in boats, caravans and other vehicles.

## PERIPHERALS

### Rugged disc designed in Britain

SERIES 110 rotating disc store from Process Peripherals has a

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Years ending March:	1971	1972	1973
Turnover	£ 4,797,167	£ 5,308,300	£ 5,794,765
Profits before Tax	184,143	291,631	380,135
Profits after Tax	119,611	181,844	218,653
Ordinary Dividend*	3.3p	3.6p	3.78p
Earnings per share	4.8p	7.3p	8.7p
*gross equivalent			

In his Statement to shareholders of Kitson's Insulations Limited the Chairman, Mr. F. N. Upchurch, reports:

The improvement in profits over the previous year evidenced at the half-year stage has been maintained. Turnover has increased from £5,308,300 to £5,794,765 and profits before tax were £380,135 against £291,631 last year. The Board recommend a total gross dividend equivalent to 3.78p per share, the maximum permitted under the Companies (Dividends) Order 1973, compared with 3.6p for 1972.

**STRONG POSITION** The year under review has been one of consolidation within all our subsidiaries and much work has been done in planning for the future. New Branches have been established at Aberdeen, Darlington and Ceerphilly, South Wales. All Branches are under regional control and their geographical locations throughout England, Scotland and Wales place us in a strong position to attract business.

**OUTLOOK** The current year has opened most satisfactorily and orders booked are in excess of the same period last year. In the absence of unforeseen circumstances, the Directors have every confidence that profits will again show a substantial increase in 1974. There has been a considerable improvement in our financial resources and the Board considers the Company has adequate facilities for the expansion envisaged.



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## INSTRUMENTS

### Analyses made simpler

MEASUREMENT of ion activity is easier with the Philips 9413 digital ion activity meter offered by Fye Unicam Cambridge.

The new instrument is due to its analogue predecessor, PW 9413, in ability to measure any univalent or divalent cation activity. The difference lies essentially in simple operation and readout. Button simplicity is combined with digital precision.

With the instrument, measurement of pH, pBr, pCa, pCl, and any other p-value for an electrode is available, accomplished merely by the proper electrode and the proper button. Reads to an accuracy of two decimal points. This is sufficient for most advanced research requirements. The measurement may be easily read from a distance of five metres or more.

One of the important features is ability to accept all types of electrodes independently of individual isothermal calibration points.

The meter also provides capability for direct measurement, standard addition, potentiometric titration, amperometric titration, and voltammetric titration. Recording and a printout facilities can be added directly.

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## THE TITAGHUR JUTE FACTORY COMPANY LIMITED A DIFFICULT YEAR

The 20th Annual Ordinary General Meeting will be held Dundee on 27th September, 1973. The following are extracts from the statement by the Chairman, Sir John Brown, circulated to the Report and Accounts.

### THE PAST YEAR

The high level to which jute goods prices were inflated due to the virtual suspension of production and export from Bangladesh together with the various high fiscal duties levied, undoubtedly responsible for bringing about a further remarkable expansion in the production and use of various types of synthetic material for packaging and other industrial purposes. In particular the large petrochemical complexes in America were quick to take full advantage of the price situation, aided by the fact that products were available indigenously in the United States in considerable demand for jute goods in this important market.

Apart from the increasing displacement of jute by synthetic competition against Indian jute goods intensified during the second half of 1972 with the revival of production and export from Bangladesh and with stocks of carpet backing cloth beginning to pile up in North America, fresh orders were few and far between. As the Bangladesh mills were able to undercut Indian prices by a substantial margin, the bulk of such new business for carpet backing as there was went to Bangladesh.

Apart from a set-back, due to flooding of its premises, suffered by the Dundee Brattice Cloth & Waterproofing Company Ltd, the results of the three subsidiaries acquired early in 1972 were encouraging. Turnover in the latter months reflected the expansion in the United Kingdom economy and the sustained demand for carpet yarns ensured a high level of activity in Hat & Smith Limited. The overall management structure of the companies was reorganised with, I believe, beneficial results.

### ACCOUNTS

The net profit for the year before taxation but after making provision for retirement gratuities of £355,178 amounted to £275,208. After making provisions for taxation, both in the United Kingdom, and after making the required adjustments to Development Reserve Reserves, there remains a group net profit for the year of £2,990. Preference dividends for the year totalling £23,715 were paid and fall to be set against a figure, leaving £20,725 to be charged against Revenue Reserve. Despite the high hopes held at the first half of 1973, the poor prospects for the remainder of this year preclude the Directors from recommending the payment of any dividend. The Ordinary stock, in any case due to a difference of opinion between the exchange control authorities in India in regard to the determination of our remittable profits and the limited sterling resources are required for trading purposes, I must warn you that it will not be possible to continue dividend payments on the Preference or the Ordinary stock until this difference has been settled and remittances from India resumed.

### TRADING PROSPECTS

Prospects for the current year can only be described as sombre. During the first six months the whole industry has had to face adverse trading conditions due to the rise in raw material costs, during which period the prices of finished goods were also dominated by the continuing competition from synthetic materials. Bangladesh jute goods. Pressure on working costs has increased due to the production lost on account of the frequent and often prolonged power cuts, the obligation to pay lay compensation to the workers and the very disturbing drop in working efficiency in the wake of a recrudescence of lawlessness and agitation.

As far as raw material is concerned, the prospects are not less depressing as the new crop to date has made very good progress under favourable weather conditions. It is expected that the 1973-74 crop will be of much better quality and according to recent reports may turn out in the region of 74 million bales which is about 11 million bales more than in 1972-73.

The position in the United Kingdom is much more hopeful and I would expect the level of activity and profits of our companies here to be at least maintained.

### THE FUTURE

The effect of the (United Kingdom) Finance Act 1972 in depriving stockholders resident in India of tax credits in respect of dividends to which they were previously entitled while the combined effect of the Monopolies and Restrictive Trade Practices Act 1968 and the pending Foreign Exchange Regulation (Amendment) Bill in India will be to induce substantial structural change in Groups such as ours, if and to the extent to which their provisions are applicable.



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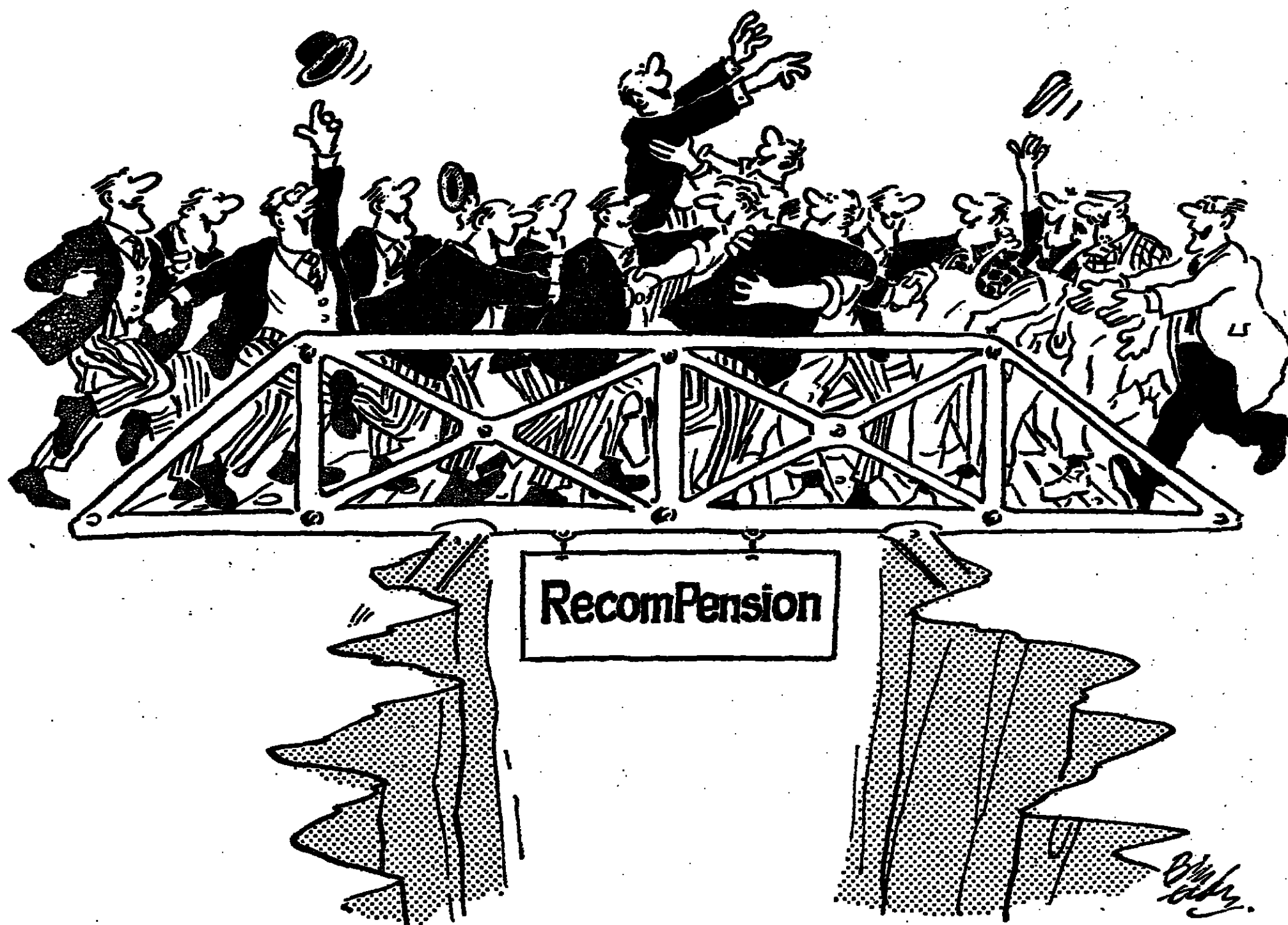
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# EMPLOYERS!

## A company pension for everybody bridges one gap between you and the shop floor



**"Manual workers are now much more interested in pensions and job security".**

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The new Government legislation on pensions gives you the chance to take an important initiative in your dealings with the men on the shop floor.

After April 1975, every one of your employees must get the right to a second pension, on top of the basic Old Age Pension.

You have the choice between a Recognised Company Pension Scheme (RecomPension for short), or the State Reserve Scheme—the Government's safety net.

The new pension reforms come none too soon. Already men on the shop floor are asking why they should receive inferior pensions to their counterparts in office jobs.

Pensions are now a sensitive industrial issue. Newspapers and T.V. are discussing the merits of Company Pensions and State Reserve. 'Best' and 'second best' labels are already being awarded. And the man on the shop floor is fed up with being regarded as 'second best'. At a time of growing demands to bring men and management closer together, Recognised Company Pension schemes, covering everybody, will be seen as a major step forward.

### The difference between a RecomPension and State Reserve

A RecomPension Scheme is run by you as an employer, to standards laid down by the Government. It will probably cost you more than the State Reserve, but the table shows only too clearly what the advantages are. Higher pensions, more security for dependants, freedom to take a lump sum, more for widows

These are the benefits of a RecomPension. Benefits which will soon be regarded by your workers as **part of the rate for the job**. Benefits which will be seen as vital if a happier industrial climate is to exist in the second half of the 70's.

### Do you have a moral obligation?

Should you care about the standard of living of your workers when they retire? Is it just sentimentality to give a man who gave you 30 working years, a few comfortable years of leisure?

You know that the big companies are guided more by sound business sense rather than sentimentality. Yet they do give good pensions. They feel their reputation depends on it. A RecomPension would enhance your reputation, too. And for broadly the same amount, pro rata, that it costs the big companies.

CONTINUED ON NEXT PAGE



## Shake-out in sponsored films

IN THE latest issue of Kemp's Film and Television Year Book, there are just over 200 U.K. companies listed who claim to specialise or do specialise in sponsored short film production. Of these 200, however, probably no more than 50 or 60 are in the sponsored film business in a serious way: the rest are mostly involved in other kinds of film work (such as TV commercials) but will gladly have a go if an industrial sponsor is willing to commission them; and a few may be one-man bands, filling in with anything from mini-cab driving to teaching at a film school until their next film comes along.

For a sponsor, the choice sounds hazardous. In practice, most of these companies are experienced professionals who are merely caught up in a highly-competitive business where too many producers are chasing the 1,000 or more films made each year in Britain. A mere 20 to 25 film companies dominate the industrial film business, and almost unfailingly the best films each year will emanate from these—even though the output of the remainder will rarely be very bad and may yield an occasional surprise.

### Tightened

For the serious core, the last few years have not been easy. Although the actual numbers of films being sponsored annually has increased slightly, budgets have tightened considerably. As one very active producer recently said "Once we could not look at a £5,000 film—now we are making them all the time."

In the salad days, budgets of £20,000 to 40,000 were frequent enough. Now, even after inflation, a £20,000 budget is rare. In part this is a consequence not only of tighter money but also of a trend towards more functional kinds of film. The prestige film is almost a dying species, and the modern hybrid has to achieve very precise objectives. The improving quality of 16mm. camera stocks has also encouraged a drift away from the more expensive use of 35mm, and there has also been a changeover to the use of freelance technicians instead of large permanent crews.

This latter trend is unpopular with the film trades union, the ACTT, but most producers I have spoken to are adamant



"An Englishman's horse": a Charles Barker Films production for the Midland Bank.

that they could not continue on sound tracks for feature films and television as well as sponsored documentaries. World Wide is presently producing about 25 films per year (the Guild claims 50 to 65, but spread over a number of companies).

On the other hand, Cygnet Film is booming, with about 150 per year—although they tend to be at the lower and middle end of the budget range. Cygnet exemplifies the changing trend of the market: once a very small company, it now employs 40 people permanently and handles many of the less glamorous films that industry needs for less glamorous functions (although Cygnet also made *Cup Glory*, the FA Cup Centenary film and the Rothman's motor race film, and is beginning to attract more prestigious work of this kind).

### No easier

Yet size may not be measured by numbers of staff or premises. James Archibald and Associates operate rather like barristers in film.

### Competitors

Only two other companies compete in size with the Guild. World Wide Pictures and Cygnet Films. Again, World Wide is part of industrial film history. In Britain, although employing 60 people, it has a significant second string to its bow with a busy sound recording studio in the heart of Soho, a studio which handles

chambers—only four or five people and a discreet image, yet attracting much of the small amount of prestigious work still to be found. Gerald Holdsworth Productions, with a permanent staff of only ten, has achieved the same kind of style, with mostly higher budget 35mm. films for sponsors such as Whitbread, De Beers, Wiggins Teape and the NFU, and a penchant for boardroom diplomacy. Ray Elton and Partners, with a staff of only five, is one of the few others to have attracted the more ambitious type of production and is one of the very few companies that have succeeded, simultaneously, in TV commercial production—the two rarely seem to mix. Charles Barker Films is an even greater exception to this rule, since it belongs to the advertising agency of the same name.

Most companies seem to agree that sponsored film production is not going to get any easier in the future, and as industry and commerce begins to discover videotape and videocassettes, new kinds of services are required. World Wide Pictures has already tackled numerous video projects. Cygnet is producing some of the new Chrysler videocassette programmes and Gerard Holdsworth Productions has even financed its own films for later release as cassettes on sporting subjects—a series of six on judo, four on squash, and table tennis now in production.

Reducing overheads, tighter budgets and the development of new markets is a trend feature film production companies saw 20 years ago. And as in the feature film business, prosperity for sponsored films will only come for those companies who learn to live with television—of which industry is going to make progressively greater use—sometimes at the expense of

## State Reserve Pension or RecomPension?

### The facts you need to help you choose

	State Reserve Scheme	Recognised Company Pension (RecomPension)
1. How much pension does the employee get?	Pensions will be assessed by reference to contributions paid on a "value for money" basis. For example, a man aged 45 on entry to the Scheme, earning £48 a week or less, would receive 8% of his final year's earnings as pension. (This assumes his real earnings increase at 3% p.a. and bonuses are in line with the rate of increase in prices).	Various combinations of benefit are available. The same man could receive a pension ranging from about 10% of his final year's earnings to two-thirds of such earnings depending on the benefit scale.
2. Do all earnings rank for pension benefit?	NO. A man earning £60 a week, for example, will only receive a pension calculated on the first £48 of earnings.	YES. There is no ceiling to the amount of pensionable earnings.
3. Is early retirement possible?	NO.	YES. Subject to certain 'recognition' requirements.
4. Is there a lump sum life assurance benefit?	NO.	YES. Usually from 1½ to 4 times the man's annual earnings.
5. How big is the widow's pension?	Half of her husband's accrued pension, payable on his death before or after retirement.	Can be half or two-thirds of her husband's pension if he dies in retirement. A widow's pension on his death before retirement may also be paid in conjunction with, or as an alternative to, a lump sum life assurance benefit.
6. Is there a built-in inflation buffer?	YES. This is the 'bonus' mentioned in (1). The bonus rates will depend mainly on the investment results of the Reserve Pension Fund.	YES. This can be fixed in the terms of the scheme and paid annually at, say, 3% per annum.
7. Does the scheme allow for different conditions of employment?	NO. The State Reserve Scheme is just one scheme for all.	YES. A scheme can allow for earnings differentials and be based on final salary or related to earnings in various ways.
8. What will it cost the employee?	1½% of earnings up to £48 a week.	Determined by negotiation.
9. What will it cost you, the employer?	2½% of earnings, up to £48 a week.	It depends on the benefits—the better they are, the more they cost.

### What you should do now

If you already have a Company Pension Scheme covering some of your employees, the chances are that it will need some revision in order to get Government recognition. Your advisers will already have drawn up an action programme for the review of your Company's pensions arrangements. Make sure you find out from them how you could provide adequate benefits for all your employees.

Organising a RecomPension Scheme takes time. And time is running short. If you leave it too late, your company—and your workers—may feel the consequences for years to come.

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## \* Recognised Company Pension

A Recognised Company Pension (RecomPension for short), is a name given to a company pension which meets the new Government standards for pensions set out in the Social Security Act 1973.

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## Opticians condemn car licence changes

BY DAVID WALKER

REPRESENTATIVES OF opticians have come out strongly against Government plans to introduce driving licences valid without need for renewal till holders reach the age of 70. The Optical Information Council has also put out a report showing many opticians, in addition coroners, chairmen of local authority road safety committees, and road safety officers feel that the present part of the driving test concerned with a driver's ability to read a car number plate should be changed. Of 361 opticians replying to a questionnaire by the council, 92 per cent. were against the issue of long-term licences and 95 per cent. considered the number plate test insufficient for today's motoring conditions.

A total of 84 per cent. could recall cases in which patients known to be incapable of passing the test persisted in driving even when warned, while 38 per cent. knew of instances in which patients who drove with faulty and uncorrected vision had been involved in road accidents. A report from Finland, the council claimed, provided backing for its case that there was a strong correlation between poor eyesight and motoring accidents. The report claims that, in the case of careless overtaking in particular, it was characteristic of drivers with defective visual acuity that they were unaware of having caused a dangerous situation.

In the past eight years cars and roads have improved, driving

standards would appear to have become safer—and yet the limit is still held down to what looks a very outdated figure. Accident totals are climbing at a slower rate than traffic volume. A few years ago, only 58 per cent. of motorists taking the advanced driving test were successful. Now the pass rate has gone up to 74 per cent. because candidates are arriving for the test better prepared," says General Lonsdale.

Mr. Joseph Taylor is to retire as chairman and chief executive of BMTS at the annual meeting on September 25. He will be succeeded by deputy chairman Mr. Everard N. Goodman.

Mr. N. McL. Mills, Mr. P. E. J. Cameron-Webb, Mr. P. S. Dixon and Mr. J. M. Gordon have been appointed directors of WIND UNDERWRITING AGENCIES, a new Lloyd's Managing Agency.

Mr. Colin E. Davies has been appointed the underwriter for the marine syndicate which is being started for the 1974 year of account.

Mr. R. Woodthorpe Browne has been appointed director of BLAND WELCH (REINSURANCE BROKERS).

Following the re-organisation of the PRICE AND PIERCE woodpulp and machinery division, Mr. T. B. Jones has been appointed a director of Price and Pierce (Woodpulp). Mr. Stephen Szab after 42 years with the group, he becomes a director of Price and

Pierce (Machinery), and Mr. M. Marshall a director of Easton and Johnson, in which Price and Pierce have a 75 per cent. share. In addition, Mr. A. W. Port and Mr. A. A. Preston become directors of Linkflow Warehousing and Linkflow Transportation, the transport handling section of the division. Mr. Preston also becomes a director of D. L. Coutts (Horticulture). Price and Pierce is a member of the TKM Group.

The following appointments have been made to the Board of W. C. HOLMES AND CO.: Mr. E. G. Reeves (home sales); Dr. C. R. Smith (development); and Mr. W. A. Wilson (overseas).

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## VIBROPLANT HOLDINGS LIMITED

In its first year as a public company the Report and Accounts for the year ended 31st March 1973, showed:

Turnover increased by 44%  
Profits before taxation increased by 90%

### Prospects

Group turnover for the first three months of the current year shows a 53 per cent increase over the corresponding period in 1972 and despite increased competition and rising costs, we consider that, in the absence of unforeseen circumstances, we shall continue our growth and further increase our profits in 1974.

G. B. Pilkington, Chairman

### The year in brief

	1972/3	1971/2
Group Turnover	£3,501,232	£2,422,181
Profit before taxation	1,160,350	608,331
Taxation	464,140	246,500
Profit after taxation	696,210	361,831
Dividends for the year - gross	150,000	Nil
Retained profits added to Revenue Reserves	591,210	361,831
Group net Assets	2,511,528	1,880,960

The Annual General Meeting was held in Harrogate on Tuesday 28th August, 1973.

Copies of the Report and Accounts may be obtained from the Secretary, Vibroplant Limited P.O. Box 12, Harrogate, Yorkshire







By Noel Howell, Labour Reporter

دكان من النحل

Blackpool, September 3

## Delegates reject call by Left wing for NIRC boycott



Sir Sidney Greene

A LEFT-WING move to stiffen TUC opposition to the Industrial Relations Act failed. By 5,573,000 votes to 4,024,000 votes, Congress delegates rejected a resolution which could have prevented unions defending themselves before the National Industrial Relations Court.

The unsuccessful resolution had been backed by the two major Left-wing unions, the Amalgamated Union of Engineering Workers and the Transport and General Workers' Union.

The motion was however defeated on a card vote, and an amendment proposed by the Union of Construction, Allied Trades and Technicians which would have given TUC General Council power to control unions' actions over the Act was also out-voted—by 5,605,000 votes to 3,875,000.

Moving the resolution, Mr. Hugh Scanlon, AUEW President, said that "to attend this Court gives credence to such a deplorable Act."

The resolution led to a warning from Mr. Tom Jackson, Union of Post Office Workers general secretary, that his union would continue to defend itself before the court even if the militant motion had succeeded.

Relations Act issues, but should accept instructions from the TUC General Council.

"The thing that worries us is how to administer the policy contained in the engineering union motion. For years the union has demanded service from the General Council, but we have never conceded them the power. We have delegated problems to them but no authority. This amendment is not asking you to give up your birthright but to act in a sensible way."

Mr. Tom Jackson, general secretary of the Union of Post Office Workers, said bluntly: "If you pass this resolution, you put us in a situation where we can no longer defend the interests of our members."

"If this is the decision of this Congress, we shall not obey," said Scanlon.

Seab organisations would welcome the passing of the resolution, but would prevent his union from defending its members in court.

Mr. Jackson said: "We are not prepared to hand over members to a scab organisation without defending them. We cannot be pushed in this direction."

Opposition to the motion also came from Sir Sidney Greene, General Secretary of the National Union of Railwaymen, and from Mr. Feather.

Sir Sidney said they could not make progress against the Act by passive resistance. Non-attendance at the court did not stop case law being built up against the unions.

During the railway dispute soon after the Act became law, there had been many occasions when the Government could have abused it had they wanted to, but the action of the railwaymen had halted such steps.

Mr. Feather pointed out that to say they were "co-operating with the attacker and the mugger" if they tried to hit back was "daft."

"I am a rather pacific sort of man, but if my elbow is joggled three times in a pub I get a bit more polite. I say 'excuse me, do you do this accidentally all the time?'"

### Opponent

The AUEW has been one of the most bitter opponents of TUC policy of allowing affiliated unions to defend themselves before the court and was fined £55,000 by the NIRC in the case of Mr. James Goad when the union both boycotted court proceedings and refused to obey the court's orders.

The TGWU has been defending itself before the court ever since the TUC relaxed its total boycott to allow unions to defend themselves.

In seconding the motion, Mr. Harry Urwin, TGWU assistant general secretary, said: "We want the TUC to strengthen and intensify its policy against the Industrial Relations Act."

Recommendations delegates to Mr. Vic Feather, retiring TUC general secretary, said unions had both a right and an obligation to defend their interests.

The defeated resolution urged Congress to call on the General Council to lead a united policy of non-co-operation to all aspects of the Industrial Relations Act. It also opposed any forms of wage restraint, though the major debate on the Government's continuing talks with the TUC on countering inflation is to take place on Wednesday.

Moving the motion, Mr. Scanlon said the Act was regarded with embarrassment by the vast majority of employers, because of the determined action of rank-and-file trade unionists who had put principle before expediency.

Trade unions had a basic right to defend their members, but the dent decisions on industrial same way.

### Resolution

Mr. Harry Urwin, assistant secretary of the Transport and General Workers Union, seconded the resolution.

His union's view from the start had been that the Act could be defeated only if the whole movement acted together under the leadership of Congress and the General Council.

"We believe the time is ripe to take this stronger action. All unions have suffered financially and in other ways."

"The Government has confiscated £500 of trade union funds in a year. Delivered to be a reference to loss of income tax and its pocket courts have inflicted savage penalties on some unions."

"A movement which cannot ensure some sacrifices and maintain some discipline in its ranks when it is under attack like this soon ceases to be an effective movement at all."

Mr. Jack Youngs, of the Union of Construction, Allied Trades and Technicians, moved an amendment proposing that unions should not make independent decisions on industrial same way.

### Obligation

"Unions have got to protect their members when they are pushed around. They not only have a right to do this but an obligation. General secretaries, presidents and executive committees are not elected just to be sitting ducks when their organisation and membership is attacked."

The motion did not call for unity of action because they were, in fact, united. What it really called for was uniformity of action between organisations which were not uniformly well organised, did not have the same strength and could not uniformly defend themselves in exactly the same way.

## Pensions: freelance writers warn TV companies

BY ROY ROGERS, LABOUR CORRESPONDENT

BRITAIN'S FREELANCE television script-writers plan to prevent his union from being expelled from the TUC along with independent television companies from January 1 in support of demands for the introduction of a pensions scheme.

This action, which could hit exports of such popular ITV programmes as Coronation Street, Family at War and few others, was announced by Lord Ted Willis, past president of the Writers Guild.

Lord Willis was addressing Congress in a vain attempt to prevent his union from being expelled from the TUC along with independent television companies from January 1 in support of demands for the introduction of a pensions scheme.

He said later that ITV exports were running at about £10m a year. It was unlikely the proposed industrial action would have any significant effect for a by employers who had also been that time he thought ITV companies would be losing thousands of pounds each week.

The proposed action followed Willis added.

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Platform scene at Blackpool yesterday as Mr. Joe Crawford, TUC president, gives his opening address to Congress.

## Expulsion for 20 unions, appeals by five rejected

THE 105TH annual Trade Union Congress today overwhelmingly approved the expulsion of 20 unions—representing around 370,000 members—for failing to register in line with the TUC's policy against the Industrial Relations Act.

The expelled unions, who include the seamen, bank employees and the Confederation of Health Service Employees, lose TUC protection against membership poaching by affiliated unions.

Only five of the registered unions—the actors, bakers, Scottish bakers, airline pilots and writers—made appeals to Congress to avoid expulsion but all the appeals were turned down by large majorities.

Mr. Vic Feather, retiring TUC general secretary, appealed to members of the expelled unions to first work within their organisations to try to secure de-registration and re-affiliation to the TUC.

Mr. Gerald Crosswell, secretary of the Association of General Secretaries, said there was evidence of a union quoting various sections of the Act to an employer.

There was also evidence of another union's delegation to the Industrial Relations Court.

Mr. Greeton said: "We see that as double standards and we want no part of it."

"Our expulsion does not mean we shall be thrown out of the TUC—it means far more than that. It means that open, straight-forward leadership is also thrown out and that the day of the manipulator has arrived to manipulate the system not for the interests of members but for political ends."

Mr. George Currie, president of Edinburgh branch of the Scottish Union of Bakers and Allied Workers, said his executive would recommend to a rank and file conference on October 7 that the union should be de-registered. He asked for a stay of execution until then.

When his union asked the TUC what they could offer in place of a closed shop, they had no answer. Therefore Equity had a choice of existing as a viable union based on the closed shop and to disband Congress, or obey Congress, lose their closed shop and see their strength eroded.

Equity was still bitterly opposed to the Industrial Relations Act and suffered from it more than most. "Our tragedy is we cannot fight the TUC way," Mr. Crosswell received sympathetic applause at the end of his speech.

Mr. Stan Greeton, secretary of the Bakers' Union, said Congress had spoken out many times about the evils of dictatorship.

"It is all right providing the TUC operates the dictatorship, but it is all wrong if anyone else does," Mr. Greeton said. "We have been handed over to happen to be against dictatorship in any form."

Unions affiliated to the TUC were not allowed to use institutions set up by the Industrial

### Warning

In a warning to the expelled unions, however, Mr. Feather said disaffected members of the registered organisations "will be looking for other ways of coming back into the main stream of the movement."

"They have the right to this and means must and will be found in particular circumstances of guaranteeing them that right."

Mr. Feather's remarks will be seen as a clear long term encouragement to affiliated unions to recruit members from the expelled organisations.

Lord Willis (scriptwriter Ted Willis) making the appeal for the Writers Guild of Great Britain, described this threat of membership competition as "unworthy of this Congress."

Once the expulsions of the five unions who appealed had been agreed in card votes delegates overwhelmingly voted on a show

of hands to accept the general council recommendation to said Equity could not endure as a trade union without the legally enforceable closed shop. With the closed shop, which they had obtained after many years of struggle, the union would decline from the position they had now both nationally and internationally.

Actors needed a militant trade union acting as such, because the entertainment industry was a glamour profession.

Because of the glamour there were those trying to get in who were underpaid by low wages and who would even pay to get on the stage or appear before a television camera.

"In this jungle there cannot be an effective collective trade union for actors unless it is founded upon the strength of a legally enforceable closed shop," he declared.

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### 'Dictators'

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Mr. Vic Feather, retiring TUC general secretary (left), with his successor, Mr. Len Murray.

## Call for big expansion in adult education

AN URGENT and massive expansion of the adult education service was urged by Mr. Joseph Crawford in his presidential address when the Congress opened.

Developing the theme of the wider interests of the trade union movement beyond immediate wage demands, Mr. Crawford told the 994 delegates: "We ought not to be satisfied until a network of adult education centres, properly equipped and expertly staffed, is as commonplace a feature of our towns as the primary and secondary schools."

The ambitions of trade unionists, he said, "are not measured solely in terms of the pay packet. Safety and health at work, the environment in which they live and work and the education of their children—these too are part of the standard of living and so is their own education."

More people after leaving school would seek a greater understanding of the arts and languages, economics and Gov-

ernment if the facilities for learning and discussion were more readily within their reach said Mr. Crawford, who has been chairman of the TUC's education committee in recent years.

"The more that industry, commerce and services move over to systems that force people into uninspiring repetitive tasks, the greater grows the need for them to find happy self-expression outside the workshop and the office."

The Government, said Mr. Crawford, should take the lead in "massively and urgently" expanding adult education.

"I envisage the system when payment of every kind is acknowledged as a social right—that the way education would no longer be abruptly cut short for most people in their early teens."

Mr. Crawford in this year retiring from the TUC General Council at the end of the year said from the post of general secretary of the National Association of Colliery Overmen, Deputies and Shotfriers.

He told delegates that the

trade union movement could no longer neglect to face up to the challenge of shaping the kind of society it wanted to "iron out the ugly creases of inequality, injustice and social neglect."

With one of the major issues of this week's Congress the TUC's attitude to the Government's counter-inflationary policy, Mr. Crawford said Congress would have to shape its ambitions for a better standard of living within the context of the economic situation.

Trade unionists "do not live in ignorance of the balance of payments, the state of world trade or the standing of the pound in the world's money."

The Government's policy, however, which pegged pay below inflation, had opened a "barn door" to price increases, he said.

He also attacked the Industrial Relations Act for being "a weapon threatening the proper functioning of trade unions."

### Warning on collective bargaining

DEMANDS FOR free collective bargaining in the face of Government policies aimed at maintaining high economic growth and low unemployment would mean that inflation would be allowed to run unchecked, Professor Ben Roberts, of the London School of Economics, told 500 labour and management specialists at the opening of the World Congress on Industrial Relations in London yesterday.

"The attempts of Governments to reduce the level of inflation by restricting the exercise of collective bargaining through national pay and prices policies have so far been uncertain in their effect," Professor Roberts told the delegates from 40 countries.

He argued that unless the pressures for increases in prices and wages and salaries are constrained by an effective combination of economic policies, which may, in Europe, involve higher levels of unemployment than over the past 20 years, and drastic changes in existing methods of income determination, "we are likely to see the level of inflation in Europe continue to rise, perhaps until it reaches Latin American levels."

He expected to see the continuance of national incomes policies in one form or another.

## How the voting went

ALL OF the five appeals against expulsion from the TUC over the registration issue were rejected by majorities of more than 7m. votes.

Delegates turned down the appeal by British Actors Equity Association by 5,595,000 votes to 3,875,000.

Bakers Union appeal was rejected by 5,074,000 votes to 3,800,000.

Scottish Union of Bakers and Allied Workers' appeal was rejected by 5,788,000 votes to 3,540,000.

Delegates turned down the appeal of the British Air Line Pilots Association by 9,081,000 votes to 5,000,000, and the appeal of the Writers Guild of Great Britain by 8,645,000 votes to 4,500,000.

### Full list

Full list of 20 unions expelled by the Trade Union Congress is:

British Actors Equity Association (19,490 members); Bakers Union (50,473); Scottish Union of Bakers and Allied Workers (10,800); National Union of Employees (103,314); British Air Line Pilots Association (4,235); National Society of Brush-makers (2,575); Chain Makers and Strikers Association (228); National Association of Co-operative Officials (5,779); Engineer Surveyors' Association (2,201); Grimsby Steam and Diesel Fishing Vessels Engineers and Firemen's Union (200); Film Artists Association (1,821); The Confederation of Health Service Employees (113,401); Managers and Overlookers Society (1,153); Pattern Weavers Society (158); Professional Footballers and Trainers Association (2,150); Retail Book, Stationery and Allied Trades Employees Association (3,580); The National Union of Scale-makers (2,198); National Union of Seamen (42,136); Yorkshire Society of Textile Craftsmen (973); Writers Guild of Great Britain (1,620).

### Conference

Recent de-registration to fall into line with TUC policy along with resignations and the disbanding of the tiny basket workers union was responsible for reducing the list of registered unions within the TUC from the 32 suspended originally last year to the 20 expelled to-day.

Delegates at the 105th annual Congress are holding a special conference to consider de-registering next month while the scalemakers have already decided to de-register from next January.

The TUC has promised to consider "generously" any applications for re-affiliation from any of the unions once they de-register.

Executive of BALPA is to be asked to continue to pay its affiliation fees by its leaders despite being expelled from the TUC.

## Keep talks going, says poll

OVERWHELMING feeling at the TUC should continue to keep talks with the Government has emerged from a survey of trade unionists' attitudes. Commissioned from the Union Research Centre by Independent Television News, the report, the survey shows that out of ten on a reverse scale, a sample of trade unionists felt the talks should go on.

Almost 45 per cent. of the 659 interviewed felt they were worse now than a year ago, while 51 per cent. claimed they were better off.

Unions were evenly balanced as to whether or not they would be prepared to strike for pay rises larger than those which will be allowed under Phase 2.

Some 47 per cent. said they would in principle be prepared to strike, while 46 per cent. did not.

There was a significant level of support for the policy of continuing to fight the industrial relations Act. About 58 per cent. it was the right course, but a per cent. disagreed.

Almost the same proportions of union leaders were of touch with their rank-and-



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## The Executive's World

EDITED BY  
JOHN TRAFFORD

دكان العمل

Department stores are under attack from property developers and discount retailers. Sandy McLachlan explains

## The Lewis's formula for survival in the seventies

DEPARTMENT stores have been much in the news recently and for a variety of reasons. Army and Navy is in the process of falling to a takeover bid from House of Fraser and Debenhams, narrowly escaped the clutches of UDS. Going further back, Gamage went to property developers and Derry and Toms also disappeared.

There are signs, too, that after a prolonged period of stagnation the department store operators are now outperforming the average for the retail sector. Basically they must because the abundant space, the wide range of goods and the large staff, makes them an extremely efficient form of retailing.

Given the sharp rise in high street rentals, department stores must exploit their advantages if they are not to be priced out of the market. In terms of the property from which they operate, for most of them if they do not earn enough profit they will face a takeover bid designed to release the property potential to more lucrative uses — a problem facing companies in other industries too.

Some in the retailing fraternity say the days of the department store are numbered, and that the recent resurgence in their fortunes is a temporary phenomenon based mainly by the consumer boom of the last two years. The department store operators counter by saying their success is due in part to better management. This throws up two obvious questions: what objectives are being sought, and will they make department stores more successful in the 1970s than they were in the 1950s and 1960s?

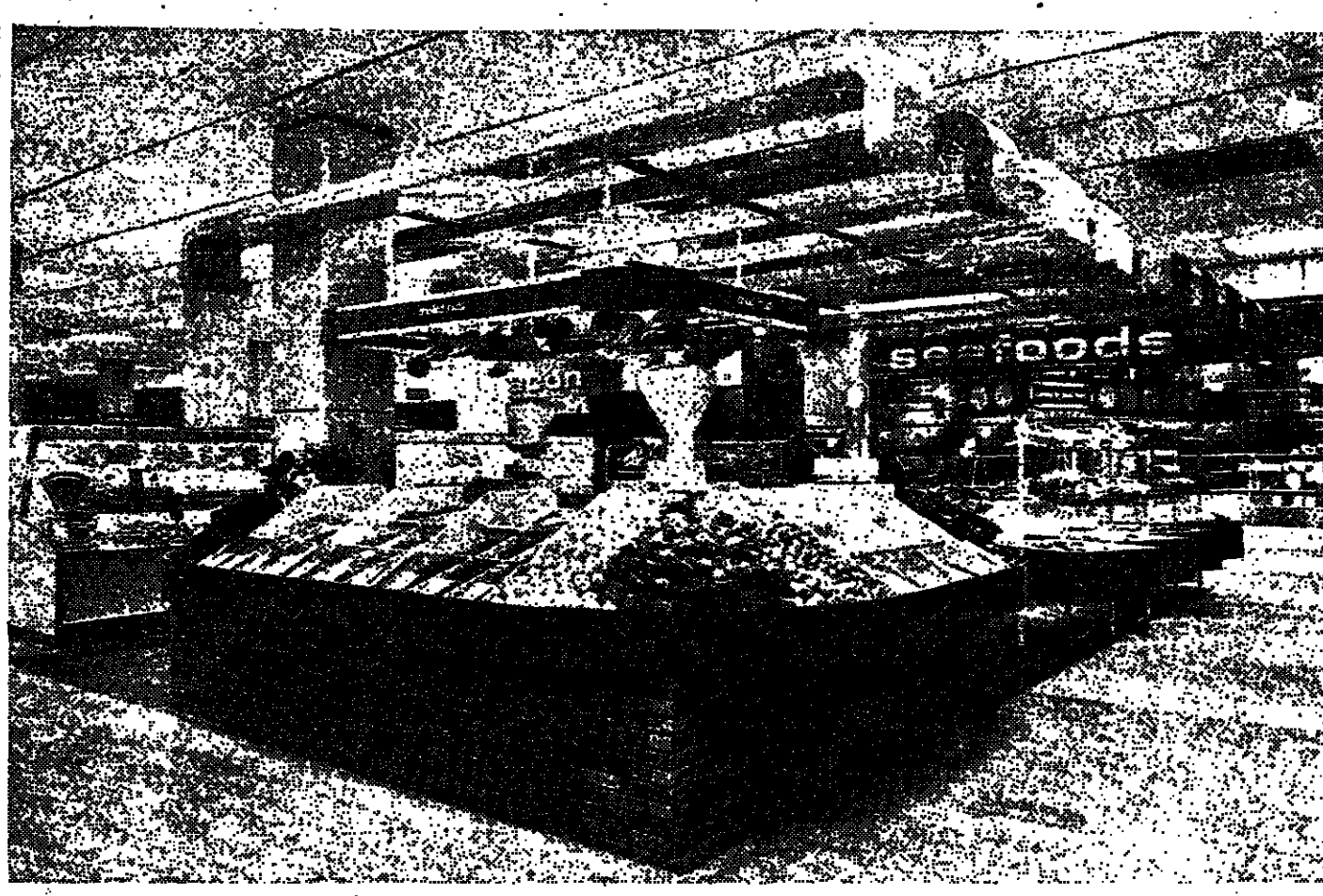
The answers will vary slightly from group to group, but given the similarity of the problems a number of common themes can be run through each programme. The experience of one group should therefore overlap considerably with that of others and

a good example is Lewis's. It does not have the unique corporate structure of John Lewis, nor the active takeover strategy of House of Fraser, and, although they are both part of the same division and now share a common managing director, with its Oxford Street location and worldwide reputation Selfridges has always traded successfully more so than the provincial department stores of Lewis's. Five years ago when Sears acquired Lewis's, the main Board decided that while Lewis's had a more difficult job than Selfridges it could still make more profit on its capital employed. Subsequently a new managing director with wide retailing experience was brought in. The man picked was Mr. Denis GreenSmith, then number two at the Co-Op, having previously been a director of a multiple retail chain.

## Backward

The new Lewis's Board started from the proposition that while department stores still retained the entrepreneurial spirit essential to retailing they were notoriously backward in modern marketing and managerial techniques. The right formula, Lewis's has been seeking to do this over a wide front.

Inevitably, the first changes were in the organisation. The key move was to raise the selling function to the same status as the buying function. There is often a tendency in retail businesses for the buying side to run the group, and this had



Lewis's wants to make shopping easier and more exciting; it claims its refurbished stores match anything the West End can offer. Above, the food hall in the group's Birmingham store.

apparently happened at Lewis's. Under the new structure the managing director took overall control of marketing with a buying director and a selling director responsible to him in department store must define its market sector more closely. Therefore, the upper limit of the catchment area was defined as the top of the middle-range income bracket. This included

both ways. On the one hand the group decided to pick the market it was aiming at. Selfridges may be able to be all things to all men, but the average provincial department store must define its market sector more closely.

On the buying side Lewis's was lucky in already having a well developed central buying function. (While Debenhams has only recently celebrated its transition to central buying,

Lewis's will be marking the golden jubilee of its central buying department in November.) The emphasis was therefore switched to what GreenSmith calls "creative buying."

In its stores, Lewis's, like Debenhams, is concentrating on the corporate image. While the latter has changed the name of most of its stores to Debenhams, Lewis's is developing the "Big L" trademark. More important still is the store refurbishment programme where the group has

Selfridges's development spent £4m in the past three years which is also marketed through Lewis's while Lewis's has earmarked a similar sum to be spent over the next few years.

There are two basic objectives. One is to improve the ratio of selling space to non-productive space, the latter being 75:25 as opposed to the old 67:33.

The second is to make the store more attractive to shoppers. This involves layout, décor, presentation of merchandise, lighting and, again, pin-pointing the market to be served. For example, most department store shoppers are women, and this must be born in mind in any refurbishment programme. Lewis's is trying to make shopping both easy and more exciting, and the group claims that its refurbished stores match any in London's West End.

The management decided to reduce the "mark on" by a full percentage point, and the results were startling. With a higher turnover of stock and a sharp reduction in the need for periodic mark down in prices to shift slow moving lines there was no fall in the gross percentage margin on sales. Since the aim of substantially higher volume sales and stock turnover was achieved the total gross profit improved in line.

Initiatives

Three other major initiatives have been taken in Lewis's stores, while there has been a separate move into hypermarkets with the Fitch Lovell subsidiary Keymarkets. (Interestingly House of Fraser is also exploring hypermarkets with Tesco, while Debenhams is opening its own out of town hypermarkets under the Scan name.)

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## How the universities find their students

BY DRYDEN GILLING-SMITH

IT IS the season of post "A-level euphoria—or depression. Out of the 120,000 school leavers who have applied for university places only about half this number will in fact winter on the campus of their first, second or subsequent choice, unless they decide to double their moose and go for the Oxbridge stakes in December.

The business of matching aspirations against available places is dealt with by an organisation, UCCA (Universities a pack of potential graduate

Central Council on Admissions) based in Cheltenham employing about 100 people and a Univac 9400. For a council controlled by nearly 100 academics, representing almost every university in the country (and academics are often surprisingly coy about their skills in business administration) the operational end of the system must be the envy of personnel departments throughout the country.

Who else would like to shuffle a pack of potential graduate trainees of this dimension and distribute it around nearly 100 operating departments and divisions, each with its own particular needs in terms of numbers and requirements in terms of skills in the space of approximately six weeks?

James Wise the deputy secretary observes "The worst thing UCCA can do is to tell a candidate that he has been accepted when in fact he has been rejected." He is, therefore, a stickler for detailed administrative accuracy and manual spot checks all along the line.

Wise also stresses the wider security aspects of the data held on the UCCA computer file. When an application form is received together with details of "A-level" results and a master's report the key details are entered on a punch card with a micro-film insert of the original application. This means that full data on any applicant can be transmitted to a whole series of universities or colleges within the rules of the scheme if he or she requests this—without the need for separate form filling on each occasion. This intimate personal data is

however only held by UCCA until the candidate has taken up his university place.

After this time the role of UCCA is to provide technical resources for the maintenance of the universities' statistical record which is updated annually and shows the student's qualifications aimed for, scholarships or awards held, residence (hall, parental home, lodgings etc.) and academic progress. Details regarding an individual can only be released to the person concerned or to his or her university.

While considerable attention is focused on UCCA at this period each year it is important to remember that its total operation runs on a 13-month cycle from September 1 to October 1 in the following year. For example students seeking places in October 1974 can start applying through UCCA at any time after September 1 1973.

UCCA transmits the applications to the college or university where the student's choice (up to four) which may then interview the candidate and decide whether to accept, reject, or make a conditional offer. About 60 per cent of those applying are likely to get conditional offers, the following June the condition usually being the university's minimum requirements—the various grades achieved in A level subjects.

By May UCCA starts to chase up the universities for their decisions, sending them monthly print-outs of the candidates who have been accepted or given conditional offers and those for whom decisions are still required. By this time about 12 per cent will hold firm places, 22 per cent will have been filled one while on the other hand 5 per cent will have withdrawn of their own accord, students in those particular subjects from growing into disaffection and the remaining 1 per cent appointed men and women.

cent. are those who have been late in submitting applications but may get another chance after the A-level results are out.

Between the notification to the universities of A-level results or their equivalent and the beginning of September the universities will confirm or reject all the candidates holding conditional offers. Last year this process meant that some 33,000 candidates had to think again. These together with the previous rejects who may have done better than expected will then have to be matched with the available places and it is here that the UCCA operation really gets into high gear in what it describes as the "clearing" process.

In the clearing operation UCCA's record of the different entry requirements means that a candidate with lower A-level grades than those needed for his university or college of first choice can immediately be matched with universities with different entry standards. Similarly if a university finds that it has unfilled places it can lower its entry requirements and ask UCCA to identify suitable candidates.

The important role of UCCA tends to get far too little publicity because apart from the universities themselves the people who are really interested in its operation are the applicants and their parents hoping for university places. From the taxpayers' viewpoint, however, there is a tremendous value in having an organisation which sees on the one hand that available university places are required. By this time about 12 per cent will hold firm places, 22 per cent will have been filled one while on the other hand 5 per cent will have withdrawn of their own accord, students in those particular subjects from growing into disaffection and the remaining 1 per cent appointed men and women.

## Still no progress on equal pay

BY A U.S. CORRESPONDENT

DESPITE the efforts of Women's Lib, the American working girl's salary is as far behind males' as in 1939. And, since business is not a democracy, an added number of women in the work force has not given them any greater leverage on pay.

These conclusions were reached in recent studies of female employees, their number and wages. The studies show, in general, that women start out behind men in salary, never catch up and the older they get, the greater the discrepancy.

Not that there is "any great resistance to paying women higher salaries, however. Once somebody makes a point of it, 95 per cent of employers will equalise the difference.

The salary scale study was made by the Conference Board, a non-profit organisation for business research. It showed that the median salary for men was \$8,184 and for women \$5,440.

"Thus women's earnings on average were 41 per cent below those of men virtually the same as in 1939," the Board reported. Girls just starting their working career, in the 18-year-old class, have a median weekly salary of \$75 while boys start at \$87. This is a 13 per cent differential from the beginning.

It gets larger as time goes on. At 30, the female earns \$108-a-week and the man \$170, a 36 per cent differential. And near

the end of the working life, at 60, the difference rises to 38 per cent: \$100 against \$162.

In a previous study, the Conference Board found that the number of working women had nearly doubled since 1948—the actual increase was 91 per cent.

The rise in the number of working males was only 30 per cent. The distinction here, of course, is that nearly all the male population worked in 1948, so the only increase in their employment was due to population growth. Women, on the other hand, supplied much of the personnel for the new service industries and also the extra hands needed for the increase in the Gross National Product, which had grown faster than the population.

Apparently it just happened that way—a fairly high up government official said nearly all employers are willing to comply with the law and increase women's pay when lapses are pointed out. Morag MacLeod, special assistant in the U.S. Department of Labour, reported on this to a personnel conference held by the American Management Association.

Another business research group, "More than 95 per cent of our investigations or checks for compliance (with the Federal Equal Pay Act) are settled without recourse to the courts," she

said.

## Conferences

● Training for Communication is the subject of a one-day conference to be held in London on September 20. This conference will deal with the work two member companies have done to improve their management skills of communications. The cost will be £35 (non-members) and further details are available from The Industrial Society, Robert Hyde House, 48, Bryanston Square, London, W1H 8AL.

● A two day conference is to be held in London on September 20 to 21 on Decision Taking and Implementation. This conference workshops on the practical implications of tribunal and court decisions for industrial managers and section heads who have supervisors reporting to them. The cost is £55 (non-members) and further details can be obtained from the Institute of Personnel Management, 5 Winsley Street, Oxford Circus, London, W1N 7AQ.

● Mergers and Acquisitions is the subject of a one day conference to be held in London on September 26. This seminar will begin by considering the different methods of valuation and will cover the reasons and criteria which must be considered when merging companies. The cost is £33 and further details can be obtained from Programme Controller, Management Studies Centre, Assets House, Elvinstown Street, London. The first in this SWIP 92Z.

series is to take place on September 27. The cost is £66 (non-members) and further details are available from the Institute of Personnel Management, 5 Winsley Street, Oxford Circus, London, W1N 7AQ.

● A series of six afternoon workshops on the practical implications of tribunal and court decisions for industrial managers and section heads who have supervisors reporting to them. The cost is £53 and further details can be obtained from the Programme Controller, Management Studies Centre, Assets House, Elvinstown Street, London. The first in this SWIP 92Z.

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## ADVERTISEMENT

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The formation is announced today of a new executive recruitment consultancy. It is to be run by Philip Plumbley and Alan Endicott who have established a growing reputation in the highly competitive management selection/head hunting field.

"We have the great advantage of having run companies ourselves," says Alan Endicott, a former PA management consultant and one time ED of two nationally known printing companies. "In addition, we have the specialist skills in executive recruitment and selection—and a track record of success to go with it," says Philip Plumbley, a former staff psychologist with the N.I.L.P. and ex-MSL consultant and acknowledged expert in selection methods.

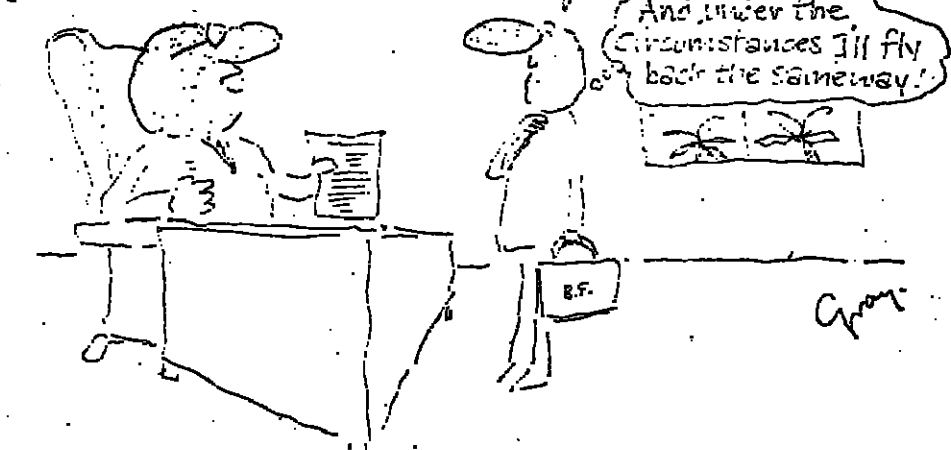
The new company will tackle almost any executive selection assignment in the £3,500-£20,000 bracket. "We aim to all managerial jobs by matching the needs of companies with the aspirations of good managerial candidates," says Plumbley. "At a time when companies are desperately seeking to attract the best talent available it is the personal service that the small, highly professional company offers that really gets results. We shall aim to give the best and most effective service in the field."

This is a company which is clearly going places and one which any M.D. with executive recruitment problems should consult. They are calling themselves "Plumbley, Endicott and Associates" and are operating out of Premier House, 160 Southampton Row, WC1R 6AL. Tel: 01-273 3117.

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TUESDAY SEPTEMBER 4 1973

## Investment yet to come

THE STATISTICS published yesterday by the DTI about industrial investment in fixed capital and stocks relate to the second quarter of the year, when consumer demand had already fallen back from the high pre-VAT level of the first quarter but before the tightening of credit subsequently introduced to meet pressure on the exchange rate. They have also been prepared on a new basis. Their interpretation, therefore, must be tentative.

So far as stockbuilding is concerned, two things stick out. The first is the effect of VAT, which appears as an actual drop in the stocks of finished goods held by manufacturers and wholesalers during the second quarter and a sharp rise in the stocks held by retailers. This latter rise may be partly due to deliberate building up of stocks after the boom in sales during the first quarter but also suggests that the extent of the drop in sales during the second quarter looks retailers by surprise. Without a recovery in consumer expenditure, the rise of 12 per cent, which took place in retail stocks during the first half of the year may well lead to a reaction which would be passed back along the line.

**Stock/output ratio**

The second outstanding fact about stockbuilding during the second quarter is that manufacturing industry, though continuing to build up stocks of raw materials and fuel after two years of continuous reduction, did so by little more than in the first quarter. It therefore seems likely that the downward trend in the stock/output ratio which has been apparent since the beginning of 1971 may have been arrested but not reversed. Special factors may have had a part to play—namely the high level of various raw material prices and the possibility that some, at least, might soon pass their peak. But the cost of credit, which has risen substantially since the second quarter, will encourage economy and reduce the extent to which supply bottlenecks at home inflate the bill for imports.

The estimates of fixed capital expenditure during the second

## German ideas on EEC farm reform

THE proposals for the reform of the European Community's common agricultural policy, put forward last week in Bonn, do not at this stage represent Government policy, since they have been formulated by an independent advisory council. But the fact that the Agriculture Minister, Josef Ertl, presented the report to the Press, and commented on its conclusions, give some idea of the Government's thinking. At his Press conference, the Minister did his best to play down the significance of the proposals: they represented a "middle course" which would leave the basic principles of the agricultural policy untouched, he said.

**Fundamental**

In one sense, the proposals do represent a middle course. The advisory council considered, and rejected, a much more fundamental approach, consisting of the total or partial removal of all import protection and the establishment of a system of payments or income support for farmers. It rejected this line of approach, on the grounds that it would solve no problems and would cost a great deal of taxpayers' money. It must also have recognised that it would have been regarded in Paris as the destruction rather than the reform of the farm policy.

The alternative approach, which it recommended, was that the border taxes on farm products traded between member States, which have had to be imposed as a result of the monetary upheavals, should be kept in place. But it goes further than merely recommending the maintenance of the status quo, which would hardly be a reform at all. The Council recommends national price differentiation which is not exclusively the price differentiation caused by currency parity changes, in the knowledge that the existing distortion of competitive conditions in the EEC cannot be dealt with in any other way.

Josef Ertl did his best to argue that this did not mean the return to purely national price policies (outside the broad framework of the common agricultural policy, but it is difficult to know what other construction to put on the council's words. If the price gap between Germany and France is not to be simply the automatic consequence of currency movements, then it must be partly the result of national decisions.

In theory, national prices are perfectly compatible with the other mechanisms of the common agricultural policy. Indeed, it was not until 1967 that the Six harmonised any of their price levels, and there is no evidence that internal border taxes impeded agricultural trade between the member States during the early 1960s. On the other hand, the national prices were then fixed by a Community decision, whereas the advisory council appears to be recommending at least an element of national latitude in price-fixing.

### Pressure

On Friday Josef Ertl appeared to be putting the narrowest interpretation on the council's recommendation: this may be because the Bonn Government has not yet decided how far it wishes to go in picking a serious clash with the French. But whatever Mr. Ertl's political obligations to his Free Democrat electors in Bavaria, it seems clear that there is real pressure in the Social Democratic Party for a genuine reform of the farm policy.

Not long ago Helmut Schmidt, the Finance Minister, told the German farmers' congress that the Government could no longer support a situation where a cheap butter sale to the Soviet Union cost the German taxpayer DM400m; those who produce the surpluses must pay for them, he said. In Brussels the Germans are anxious not to upset the French unnecessarily, but at a time of rising wage and price inflation, the Government is likely to pay more attention to the consumer and

THE CENTRAL Electricity Generating Board's plan for a substantial increase in the rate of new power station construction has come as a great relief for Britain's power plant manufacturers, who have been carrying extensive and expensive over-capacity in recent years. But it will do little to ease the problems of one of the most troubled sectors of heavy electrical engineering, the transformer industry, whose problems now seem most likely to be eased by the intervention of one of the larger foreign manufacturers.

Transformers provide an all too vivid example of the legacy of hopelessly over-optimistic Government economic forecasts, over-dependence by the industry on a virtual monopoly customer, and outdated management attitudes. The industry is now working at under 50 per cent of capacity, and most of it is barely profitable. Projections for the rest of the decade show that there is little chance of much improvement in domestic output levels. The plummeting pound has raised hopes of increased exports, but with worldwide overcapacity of nearly a fifth, price competition is fierce—in spite of long-standing trading agreements—and the number of foreign markets which are still unprotected will soon dwindle.

**Capacity shortages**

Since official and unofficial surveys agree in forecasting a steady growth in fixed investment over the next 18 months, the slight fall which was recorded between the first and second quarters does, however, remain in need of an explanation. Various explanations are possible: the fact that, in manufacturing, investment in plant has risen sharply during the first half of 1973 while investment in building has fallen suggests that capacity shortages have had some part to play—a situation which would affect public investment (and therefore the size of the public sector deficit to be financed) as well as private.

No doubt the buoyant investment intentions thrown up by recent surveys will be affected to some extent by the slower growth of consumers' expenditure, the sharp rise in interest rates, and the effect on company profits of the controls adopted during Phase Three. But the effective devaluation of sterling has put U.K. manufacturers in a position to export more profitably provided that adequate productive capacity is available. A reduction in the growth of public and private consumption demand, however brought about, might well encourage the growth of manufacturing investment and ease the strain on the balance of payments at the same time.

**The biggest capacity**

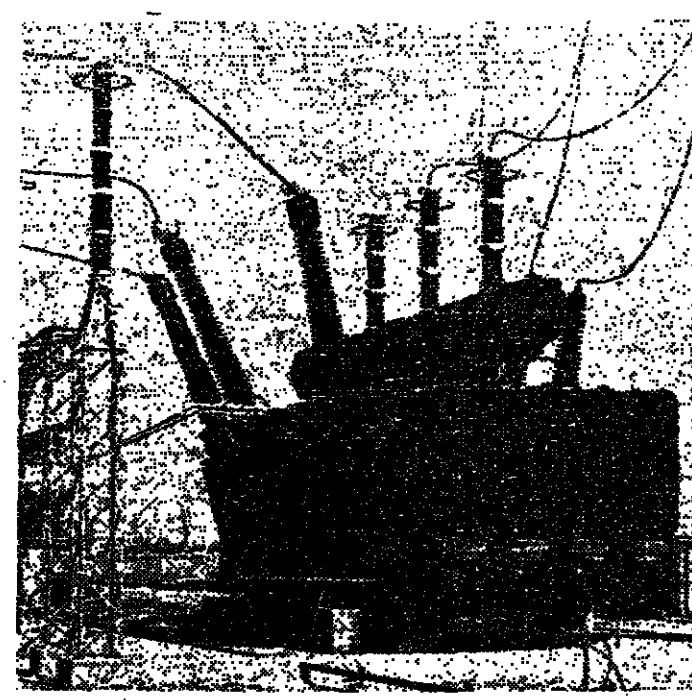
The British transformer industry still has by far the largest capacity in Europe, though it has now been overtaken in terms of output by West Germany. In all the other major manufacturing countries, though Italy has been a late starter—the past five years have seen a drastic reduction in the number of factories, in terms of the number of separate manufacturers, too, the U.K. is much less concentrated than its European counterparts.

What is required is rationalisation: no one in the industry is in any doubt of that. Nor were they in the late 1960s, when the Industrial Reorganisation Corporation tried in vain to engineer a radical reshuffle. Although employment has been cut from 16,000 in 1966 to 7,500 at the end of last year, the rationalisation measures have fallen short of what is required to create an industry capable of competing abroad with ASEA, the Swedish concern which is generally accepted as the most efficient and most advanced transformer maker in Europe (though Ferranti can claim to rival it on the technical front).

The trouble is that, as in so many other cases in British industry, rationalisation means

# Transformers: why salvation may come from abroad

BY CHRISTOPHER LORENZ



UK transformer sales, all types.

	Total	Home	Export
	£m.	£m.	£m.
1966	61	56	5
1967	67	62	5
1968	72	67	5
1969	75	70	5
1970	83	78	5
1971	86	81	5
1972	95	90	5
1973*	105	100	5

European power transformer sales\*

	Total	Export ratio
	£m.	%
United Kingdom	31,223	32
West Germany	31,203	22
Italy	19,387	20
France	16,713	36
Sweden	15,885	77
Spain	4,338	3
Switzerland	6,032	75
Belgium	5,904	29

\* Transformers larger than 10MVA

machines) at the lower end, and more than half the transformers of the former industry's £45m. turnover. The dividing line is over is accounted for by distribution and system equipment, which the power sector begins. The 12 Area Electricity Boards, who are responsible for purchasing distribution and system transformers for the English and Welsh transmission network, have gradually adopted a tough commercial approach, and now tend to buy on the basis of price alone. The result was a price war lasting several years, from 1968 to 1970, and price levels are still low, though the upturn in new power station construction should push it to around £9m. a year between 1976 and 1978.

Like most German, French and Italian utilities the CEBG, which is generally accepted as the most efficient and most advanced transformer maker in Europe (though Ferranti can claim to rival it on the technical front).

The trouble is that, as in so many other cases in British industry, rationalisation means

distribution sector. The days of the cartel are over—it was dissolved at the behest of the Restrictive Practices Court in 1961—but the CEBG has been giving them considerable aid through its policy of ordering in bulk and well in advance of requirements.

A certain amount of price-cutting has developed, however, leading one manager to accuse his competitors of quoting "stupid prices." Fortunately, managers have progressed beyond the engineering-orientated view of the 1950s and 1960s, that a factory should always be kept fully occupied, whatever the profitability. As it is, Ferranti is still deep in the red, though GEC, the Reyrolle subsidiary, and Hawker Siddeley's company are back in the black after the traumas of 1970-71.

## Sales to the U.S.

There are now only six makers of really large transformers, the big four, plus Bonar Long and Aberdare Holdings. For all but the Reyrolle subsidiary—which licenses American manufacture—the U.S. market provided a major attraction in the late 1960s, in view of the collapse of the home market and the high level of U.S. prices. Major sales successes were scored by Ferranti and English Electric (prior to the GEC merger), but this market is now closed. Although there was a loss of prestige following the £2m-plus losses incurred by Ferranti when two extra-high voltage transformers ran into technical difficulties, the real problem has been anti-dumping action by the American trade authorities. For various reasons, these authorities have not yet succeeded in devising a reliable test of the dumping allegations, and the British exporters—tethered with other European companies—have been forced to stand back.

The American setback therefore qualifies Table Two, which shows the U.K. with a much higher export ratio than West Germany (which has overtaken the U.K. in terms of overall output since 1971), since almost half the U.K. exports were to the U.S. Now that the U.S. bonanza is over, the British companies, like the Continental, must look elsewhere for their export markets.

West Germany has an advantage in that both Siemens and AEG are traditional suppliers of several European markets, whereas U.K. exports to Europe are minimal. For the moment, the British have the edge in long-term danger of extinction in terms of production costs, although the competitors in Sweden, Germany, and French benefit elsewhere.

## Stimulus needed

It could be beaten to the punch if the Reyrolle Parsons group were to be taken over by a non-British company. Whether the exact pattern of takeover there is little doubt that an external force needed to shake the British transformer industry out of its present impasse, the industry will find itself running the risk that profitability levels will not allow it to make the investments necessary to keep abreast with the latest advances in transformer design and manufacture. If it fails to do this it will face the long-term danger of extinction at the hands of more efficient competitors in Sweden, Germany, and French benefit elsewhere.

## Better protection

The power transformer makers are in a much more difficult position. On the face of it this is paradoxical, since they are afforded much more protection by their customer than the

## MEN AND MATTERS

### Ridley's new role

It may seem odd that a politician noted for his belief that industry should stand on its own feet, should be joining a public relations organisation which helps industry liaise with Government. But Nicholas Ridley, going to Partnerplan, has not changed his views. Indeed, later this month he is going to address a meeting of the Selsdon Group, the newly-formed right-wing Tory organisation which is taking up the mantle of the Monday Club. He simply says that it is now a matter of fact that half the gross national product passes through Whitehall and there is a great deal of room for improvement in relations with industry.

In the past most of Partnerplan's most effective work has been done with local authorities. The public affairs division, of which Ridley, 44, becomes spell out the initials CPRE: managing director, was formed by the U.N. the U.S., and the only three years ago. But in U.K. it said, everyone knew that time it has persuaded the what they stood for. Lancaster Government to change its mind. In fact, still has the about local government re-organisation in South Wales, the organisation in South Wales, and has also fought successful boundary battles in Essex and Surrey.

How much weight Ridley now carries in Westminster and needs more exposure, and has Slater Walker has only confirmed the market view in getting rid of its 36 per cent stake in Whinsparken Investments. But what about Martin Vickers, the man who has picked up the holding and is now bidding for the rest of the equity? Quite simply he does not agree with the current thinking. Trusts, he says, "are a relatively attractive market, and the timing looks right to buy."

### Protecting rural England

There used to be a phrase in the Guardian's Manchester office style book, which advised the public affairs division, of which Ridley, 44, becomes spell out the initials CPRE: managing director, was formed by the U.N. the U.S., and the only three years ago. But in U.K. it said, everyone knew that time it has persuaded the what they stood for. Lancaster Government to change its mind. In fact, still has the about local government re-organisation in South Wales, the organisation in South Wales, and has also fought successful boundary battles in Essex and Surrey.

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Department of Trade and Industry, he has worked as a consultant for Univa.

Ridley says there is a "great deal of ignorance" in industry about how Government and industry works. So his job is mainly a question of telling people "how to present cases to civil servants and Government."

David Wynne-Morgan, chairman of the Partnerplan group, who has watched Ridley in action as his local M.P. says he is just the "heavyweight" he needs to run the department. But has Ridley ever persuaded him to vote Tory? "No, never," he says with emphasis. "I was voting Liberal long before it became fashionable."

ing current problem is one experience. He has handled investments for brokers Phillips and Drew, Simon and Coates, and C. Czarnikow, among the leaders in U.K. commodity broking. At Czarnikow, as investment manager and deputy to Peter Melville, then investment director, he helped set up Ebor Commodity Fund; later he went to Priam Investments (then vehicle for Mary Quant's activities), where Czarnikow had a stake, as director in charge of investments.

Priam was taken over in 1971 by Kent Castings, a SW subsidiary, and since then Vickers has been looking for a way back into the investment trust field. Following the Priam deal, he is not short of money, although he will not say how much he made on the deal—"I hate this millionaire whizz-kid stuff, but it was good enough." There is he says, a "considerable amount" of his own money in Whinsparken, but he has also found strong backing at Hill Samuel, Trianon Bank, and Sentinel and National Insurance Guarantee Group.

A fourth backer is Sime Darby Holdings, which in one sense has brought Vickers' full circle since his former colleague, Peter Melville, is now Sime Darby's investment manager.

**Trust in the trusts**

With the investment trust market now standing at a sizeable discount on asset value, Slater Walker has only confirmed the market view in getting rid of its 36 per cent stake in Whinsparken Investments. But what about Martin Vickers, the man who has picked up the holding and is now bidding for the rest of the equity? Quite simply he does not agree with the current thinking. Trusts, he says, "are a relatively attractive market, and the timing looks right to buy."

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Other News  
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## Irish butter cut not yet followed

By Our Commodities Staff

OTHER countries have yet followed the butter price reduction announced by the Irish Kerrygold brand on Friday, a reduction of £30 a ton in the standard price of packet butter. £55 is equivalent to about 2.5 p a lb, but the Irish Dairy Board is predicting price cuts of 2.5 p a lb, or even lower, in the intention of the price cut, the Irish Dairy Board is to some price competitive with the standard price of butter. It expects some of the gap left by the reduction of the price cut to be reduced following the entry into the European market. Kerrygold at least has about 10 per cent of the U.K. market, equal to 40,000 tons a year.

London butter traders took a sceptical view of the Irish price cut. It was suggested that one reason for the price cut may have been to offset some summer resistance for Irish butter generally as a result of a well-publicised political attack.

It was also claimed that most buyers would be unwilling to pay as much as 2.5 p a lb as special promotions, at least in the short term.

At 2.5 p a lb, Kerrygold would be a very competitive price to New Zealand and English butter, but it was felt that the price cut might be delayed on this occasion to wait and see if sales impact made. Until now Kerrygold has sold as a premium quality butter, so the reduction is a major change in marketing strategy.

**Peru mine strike threat**

ABOUT 800 white-collar workers of the U.S.-owned Southern Peru Corporation threatened an indefinite strike from Thursday at the southern port of Ilo, industry sources said in Lima yesterday.

The company operates a laundry at Ilo, which processes ore from the Toquepala copper mine. The workers have threatened to paralyse port operations over a pay dispute.

A company spokesman declined comment on the workers' demands for a 50 per cent bonus on Sunday and holiday work since February 1968, but said the stoppage would cause difficulties in some administrative sectors but would not affect production or loading at the port.

Reuters

## Synthetic rubber Quiet start for soyabean prices up 10%

By JOHN EDWARDS

A RISE in U.K. prices of synthetic rubber, with an average increase of 10 per cent, has been introduced by the South American Rubber Co. effective from yesterday.

The company states that the rise in prices has been forced by a very substantial upward move in the cost of raw materials in the petrochemical industry. The last U.K. price increase for synthetic rubber was in November last year.

Synthetic rubber accounts for just over 60 per cent of total U.K. rubber consumption, with sales in 1972 of over 270,000 tons of synthetic against 174,000 tons of natural rubber.

ISIR, a consortium formed by eight tyre companies in 1959 is a major European synthetic rubber producer with an output of over 300,000 tons a year.

The company is classified in Category 2 under the price control regulations and, therefore, did not have to seek the prior approval of the Price Commission for the increase. Of the two most important types of rubber, the general-purpose tyre that goes up from £187 to £206 a metric ton, and SBR 1712 from £153 to £163.5 a ton.

Natural rubber prices have risen considerably since November. The price of No. 1 RSS in London last week averaged just over £240 a ton after reaching a peak of nearly £240 a ton at the end of July. This compares with a price of under £180 a ton last November.

Tyres and tyre products account for some 50 per cent of the U.K. total rubber sales. The largest share of the market is taken by synthetic rubber, which is particularly dominant in car tyres. Natural rubber, however, supplies the bulk of the supplies for commercial vehicle tyres.

THE RELAUNCHED London soyabean oil futures market got off to a quiet start yesterday, with a turnover of only eight lots of 50 metric tons each.

This somewhat disappointing start was attributed to the fact that the new market was launched on the same day as the soft commodity markets generally moved from Plantation House in Mincing Lane across the street to a new trading centre in the Corn Exchange, Mark Lane.

Traders said the move resulted in some chaos and confusion, especially with the telephone system. But it was no more than expected, and fortunately the U.S. markets were closed for the Labour Day holiday, so trading was at a low ebb.

The new Exchange is divided into separate trading areas for cocoa, sugar and coffee and rubber, wool and vegetable oils are dealt in a general trading room.

The revised soyabean oil futures market is based on a U.S. dollar contract. Closing prices (buyer-seller) last week were: November 5401-415 per metric ton; January 5385-399; March 5360-391; May 5365-389; July 5364-389; September 5382-389; November 5381-387.

PROSPECTS for some recovery in world fish production and exports in 1974 are foreseen in the U.S. Department of Agriculture's publication "Foreign Agriculture".

It says production could increase to 840,000 metric tons, 120,000 tons above the indicated 1973 volume, if Peru is able to attain its 50-ton anchovy catch target and the oil extraction rate continued unchanged at 2.5 per cent. Should production recover partially, as expected, world net exports of fish oil could rise by at least 75,000 tons to 450,000 tons.

World production in 1973 is estimated at 720,000 metric tons, 187,000 tons in 1972, and 420,000 under the record 1971 output. The decline in 1973 is due to the anchovy shortage off Peru and to a reduced oil extraction rate.

It estimates 1973 world net exports of fish oil at 375,000 tons, 285,000 tons lower than a year earlier.

Reuters

## No profit left in pig farming

By DAVID RICHARDSON

PIGS HAVE a well-deserved reputation with farmers of being either "copper or gold" and although the analogy of copper at low prices is now out of date, the basis for the adage remains true.

This last June saw the end of a "gold" period which had lasted for about six months. In July pig prices began to slide and in August the price of pigs continued to fall until the present time practically every finished pig sold must lose money.

Traditional reasons for fluctuating fortunes are variations in the number of pigs coming on to the market and the fickle nature of farmers.

Grain prices

In this case it is because of the appalling rise in the cost of feed. Feed costs amounting to around 70 per cent of the total cost of producing pigs makes them very vulnerable to any rise in the price of raw materials.

size of the increases they request. Invariably after consideration of the facts, most requests must be granted.

Last week a group of some of the biggest national compounders were given permission to raise their prices by 25 per cent and there are many more applications in the pipeline.

Meanwhile, during the summer, pig prices dropped because of normal seasonal reduction in demand for pork. Usually this coincides with, or is shortly followed by, a drop in feed prices as newly-harvested grain comes on to the market.

The net effect has been that pig farmers who were making excellent profits of perhaps 10 per cent in May and June are now recording a 25 to 35 per cent loss and the immediate prospects are worse. It is true bacon pig prices have gone up a little in the past week or two, which may encourage some farmers to keep a few more pigs than they otherwise would.

Very worried

Clearly, all sections of the pig industry are very worried. Farmers' reactions so far have varied according to their degree of commitment. Some specialist pig farmers who buy specially selected stock to feed on to killing weights have already either stopped buying completely or reduced their bids, and eight-week-old pigs which would have sold for £10 per head in the market, are now selling for £7. The same farmers are selling the pigs they do have at lighter weights, preferring to leave pigs empty and cut their losses.

Breeding herds, on the other hand, do not have the same flexibility. Conception to birth takes four months and, once born, the little pigs are not saleable for a further two months. Once set in train, there is nothing a breeder can do to ease his losses except as a last resort to sell sows for slaughter in the early stages of pregnancy.

Whether this has started happening is not yet clear but one Norwich auctioneer told me that the number of sows he had to sell in the last two weeks was up to 40 per cent and this could be the result of extra severe culling. Most breeders' commitments are such that they do not jump in and out lightly, but there is no doubt that many are considering going out of production. Talk at pig auctions is of little else.

Specialist pig keepers with little or no alternative farm interests are in the most difficult position of course, but even arable farmers, who are making good money of their wheat and barley, see little point in risking arable crops to support losses on the pigs. All except one old-timer, that is, who told me that he'd rather put his money into pigs than let the tax man have it.

At least the pigs will make such much to put on the land, and there when it is over.

Meat wholesalers and butchers are also taking the whole situation very seriously. I understand that FMC, the largest pig buyer in the country, has had at least two special Board meetings to discuss the crisis without reaching any conclusions. And Walls, the market leaders in the so-called heavy hog sector, have been visiting some of their bigger contract producers asking them to hang on and fulfil their contracts as they hope to be able to raise prices soon. But nobody seems to know quite how they will do it. Massive increases in

retail prices in pig products seem unlikely to be authorised in the present political climate.

On the face of it, there should be the potential for exporting pig meat as the price in Europe is considerably higher than here. In France, for instance, pig prices have risen to £60 per score (20 lbs) dead weight compared with £30 in the U.K. But it seems that we do not produce the kind of pork French housewives will buy and even if we did, disease regulations (swine vesicular disease is still around) and the compensatory amount of nearly £50 per ton which has to be paid by exporters are enough to stop much trade developing.

Subsidy

The National Farmers' Union have made representations to the Ministry of Agriculture pointing out that "somehow" must be done to restore the value of pig meat to the level of the other meat products. Allowing prices to slump in the step-by-step increases planned for the five-year transitional period, has also been suggested. But so far Mr. Gough has declined to act. Presumably, he, like many farmers, found it difficult to believe that grain prices would fall so far and that if left alone, the crisis would right itself. That possibility now seems to be fading.

From a consumer's viewpoint, the crisis is still very acute. Pigs already conceived and born will require some form of pig meat for at least the next nine months. But if an acute shortage is to be avoided next summer farmers must have enough faith to wait to hang on and fulfil their contracts as they hope to be able to raise prices soon. But nobody seems to know quite how they will do it. Massive increases in

the U.K. nickel price during September to £1385 a metric ton, compared with £1351 in August, was announced yesterday by International Nickel and Le Nickel. The increase is due to the change in the sterling/dollar exchange rate partly in August to \$2.48 to the £ against \$2.54 in July.

However, the sterling price for nickel is still well below the £1,430 a ton charged before the producers changed their pricing system in February.

U.K. nickel to cost more

By Our Commodities Staff

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U.S. commodity markets were closed yesterday for the public holiday on Labor Day.

Big rise in copper stocks

By Our Commodities Staff

A BIGGER-than-forecast rise in copper stocks in London Metal Exchange futures helped depress prices yesterday. Cash wirebars closed £14 down at £803 a metric ton in quiet trading conditions resulting from the closure of the New York market and general lack of a possible demand for copper. Stocks rose by 925 tons to a total of 30,075 tons, when an

increase of 3,000 tons had been generally predicted.

A heavy fall of 2,825 tons in zinc stocks to a total of 15,125 tons was in line with expectations, but there were rumours of a possible further rise shortly in the European producer price for zinc. It is suggested the increase would be £20 to £30 a ton. The zinc market was nervous with a fall in the Penarth market over the week-end and reports of a statement this week by a U.S. stockpile over its proposed further releases.

Double threat to Scottish seed potatoes

By Our Commodities Staff

SCOTTISH seed potato producers have been warned that reduced demand plus growing foreign competition could cut their present area of 46,500 acres of seed potatoes grown to 25,000 acres.

In a report commissioned by the Potato Co-ordinating Committee, the Scottish Industry is urged to concentrate on improving the quality and health of its seed potatoes to match foreign competition.

U.S. attack on fruit proposal

By Laurence Oisager

THE U.S. has objected to EEC plans to introduce minimum import prices for a number of processed fruit and vegetable products, particularly citrus juices and canned peaches. In a recent note to the European Commission, the Americans asked for consultations under the General Agreement on Tariffs and Trade.

In the U.S. view, the introduction of minimum import prices would harm American exports and be in violation of the Community's obligations under GATT.

## COMMODITY MARKET REPORTS AND PRICES

### BASE METALS

All base metals on the London Metal Exchange ended the day lower on balance in quiet trading, volume being reduced by the closure of the U.S. market for most of the day. In copper, further arrivals of the backwash were reported.

Amalgamated Metal Group reported that in the morning, three months' copper was £175.75, 67, late-Nov. £175.75, three months' 78 to 85, 62, 54, 55, 56, 57, 58, 59, 60, 61, 62, 63, 64, 65, 66, 67, 68, 69, 70, 71, 72, 73, 74, 75, 76, 77, 78, 79, 80, 81, 82, 83, 84, 85, 86, 87, 88, 89, 90, 91, 92, 93, 94, 95, 96, 97, 98, 99, 00, 01, 02, 03, 04, 05, 06, 07, 08, 09, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27, 28, 29, 30, 31, 32, 33, 34, 35, 36, 37, 38, 39, 40, 41, 42, 43, 44, 45, 46, 47, 48, 49, 50, 51, 52, 53, 54, 55, 56, 57, 58, 59, 60, 61, 62, 63, 64, 65, 66, 67, 68, 69, 70, 71, 72, 73, 74, 75, 76, 77, 78, 79, 80, 81, 82, 83, 84, 85, 86, 87, 88, 89, 90, 91, 92, 93, 94, 95, 96, 97, 98, 99, 00, 01, 02, 03, 04, 05, 06, 07, 08, 09, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27, 28, 29, 30, 31, 32, 33, 34, 35, 36, 37, 38, 39, 40, 41, 42, 43, 44, 45, 46, 47, 48, 49, 50, 51, 52, 53, 54, 55, 56, 57, 58, 59, 60, 61, 62, 63, 64, 65, 66, 67, 68, 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# Rubber and Synthetic Rubber

## Prices register a remarkable recovery

By ROBIN REEVES, Commodities Editor

It was just under a year ago that the rubber market suddenly experienced a sharp fall in prices. At the time nobody took it very seriously. It looked to be a short-lived speculative upsurge which would soon die, leaving prices to drift back to the levels—the lowest for 23 years—plumbed earlier in the year. But far from being short-lived, the recovery turned out to be an almost unrelenting upwards climb and the outcome is that to-day rubber producers are enjoying the best prices since the Korean war boom over 20 years ago.

By any standard this is a remarkable turnaround in the industry's fortunes and it is not surprising that there is some nervousness among producers that it may not last. The rubber market's experience has been that the periods of depression last much longer than those of buoyancy.

### Surplus stocks

Before the present upsurge, producers of both natural and synthetic rubber had to live through three years of very depressed conditions. This situation was caused basically by an imbalance between world supply and demand. It led to an accumulation of heavy surplus stocks overhanging the market. The position was further aggravated by sales of surplus rubber from the U.S. national stockpile, strikes in the motor industry and in the docks, notably in the U.S., and by the growing instability of world currencies. The Malaysian Government attempted to shore up the natural rubber market by giving buying support, but

the operation had limited success.

It is the recovery in the U.S. economy and many other parts of the industrial world which has put the rubber market back on its feet. Faced with expanding order books and rising rubber prices, consumers quickly switched from a policy of purchasing from hand to mouth to buying ahead in order to cover their future requirements. Even so, the situation was changed in remarkably quick time from one of general surplus to distinct shortage of some grades of rubber.

It remains to be seen how long the present excellent market for both producers and consumers will last. But it is difficult to avoid the conclusion that the industry will always have to live with fluctuating markets. Whereas demand is fairly volatile, production is dependent on either sophisticated chemical plants which take a lot of time and money to build or on trees which presently require six years from planting to the provision of an economic yield.

In these circumstances, maintaining a continuous balance between world supply and demand is well nigh impossible, particularly since the single most important fact about the world rubber industry is its dramatic expansion. Only 70 years ago world production amounted to a few thousand tons extracted from the Amazon jungle and even at the beginning of the last war total output was only a little over 1m. tons, almost all of which was natural rubber.

The war and the Japanese

occupation of the Far East and through replanting programmes.

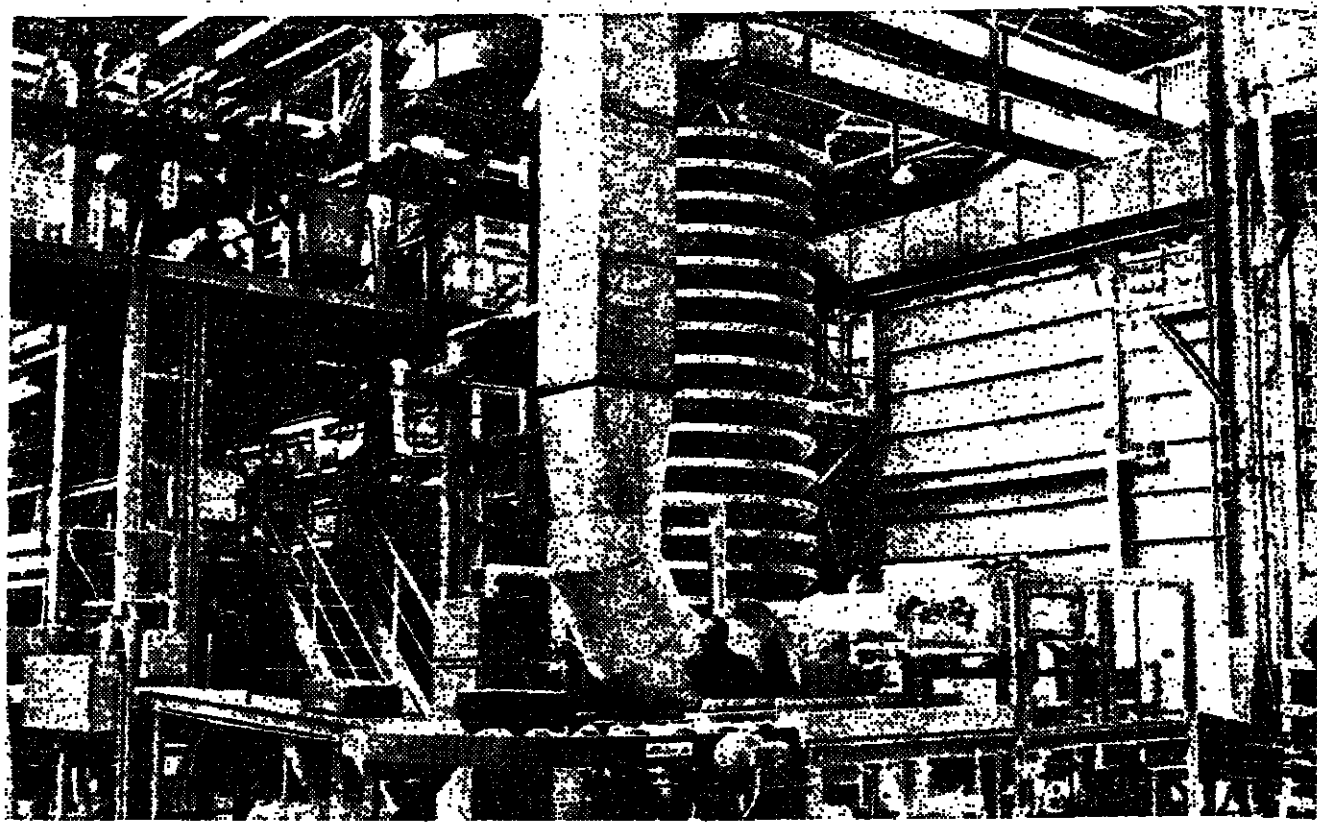
The achievement of Malaysia, the world's biggest single natural rubber producer, is particularly impressive. The industry has been transformed from one based primarily on plantations to one based on family smallholdings. Equally important, this has been done without loss in efficiency since it has gone hand in hand with a vigorous replanting programme to replace old rubber trees with new stock which has several times the productivity of the older varieties.

Malaysia has also led the way in improving the quality and reliability of natural rubber by processing an ever increasing proportion of its output in a way which allows it to be technically specified.

The technical ingenuity of the synthetic rubber industry has never been able to reproduce all the properties of the natural product, but natural rubber has suffered from the fact that buyers can never be absolutely sure of the quality of the rubber bought. The production of technically specified natural rubber such as Standard Malaysian Rubber is helping to overcome this problem.

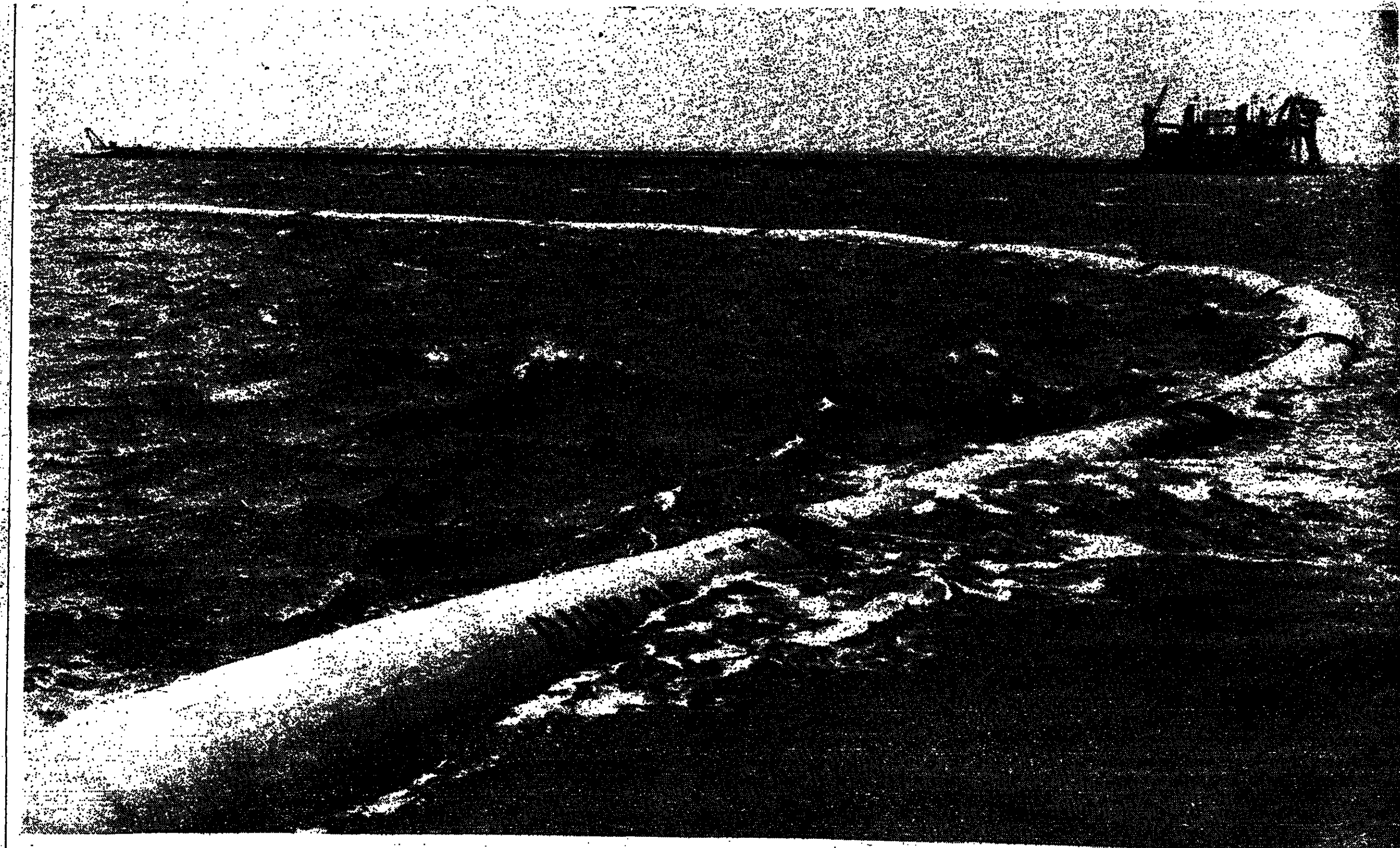
But it seems fair to assume that the two producing sides of the industry will always be in contention. Indeed the competition between the two has spurred both sides into a greater effort to produce what the customer wants at the cheapest possible price and to find completely new outlets for rubber's unique properties. Tyres remain easily the biggest single market for rubber from both sources, but the main area

of competition has now moved on to rubber's uses in other areas such as the building, electrical and footwear industries. Both producing industries must hope that competition does not intensify to the ruinous levels experienced at certain periods during the 1980s and early 1970s. This was as much



Synthetic rubber plants have proliferated round the world. Picture shows part of the Porto Tò plant in Sardinia of Italy's Societa' Italiana Resine.

a price war between different of scale while also enjoying unlikely as ever. Th synthetic rubber producers as cheap feedstock seems to be rubber producers con over. Indeed, the energy crisis, discuss plans for s rubber in periods of d synthetic producers are not But it is difficult to see profiting from the present would be effective wi co-operation of the rubber industry, much On the other hand, an effec tive international scheme to and not in a po were reaping major economies stabilise rubber prices looks as participate.



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## RUBBER AND SYNTHETIC RUBBER II

## World consumption linked to industrial growth

By NICK DOAK, Editor, European Rubber Journal

Rubber is an indicator material in that its consumption per capita is directly linked to the Gross Domestic Product of the consuming country.

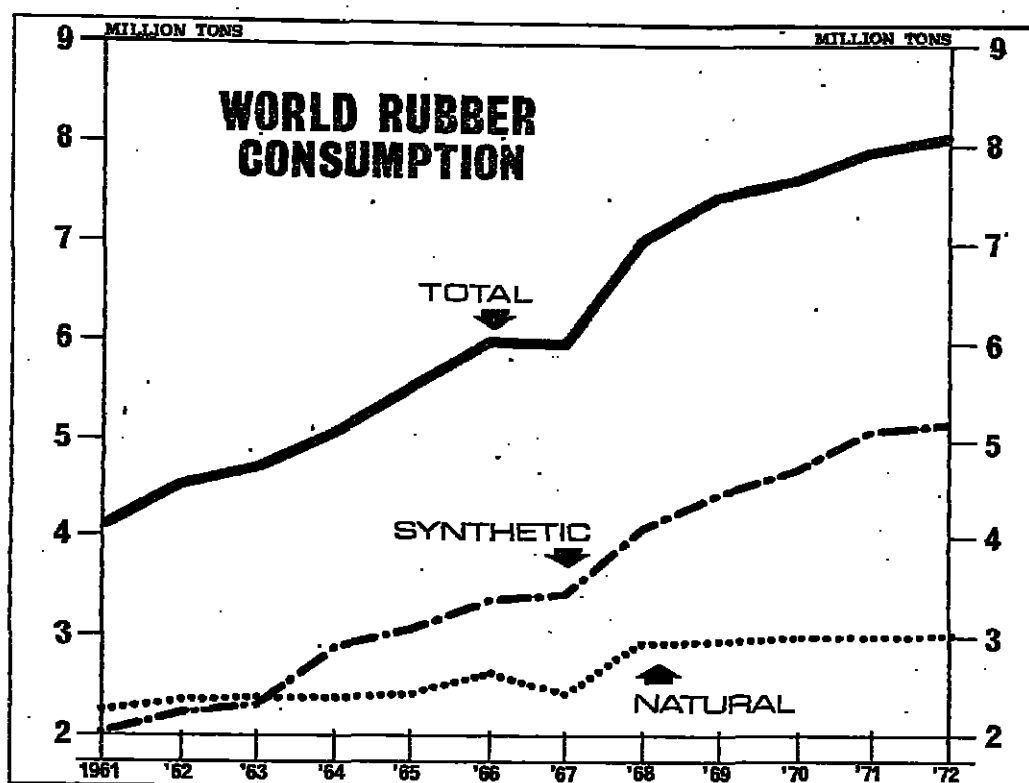
This fact comes about from the dependence on rubber of the transport industry, especially automobiles. Of total rubber consumption some 58 per cent is directly absorbed by the tyre industry and a further 9 per cent is absorbed by miscellaneous mouldings and extrusions used in vehicles and other transport sectors. The remaining 33 per cent of the total rubber cake is then divided among virtually every other industry in the world, with none of them taking more than single figure percentages. In fact in terms of total tonnage the use of latex in carpets, textiles and papers may well be the second largest rubber use outside tyres.

Before the last war there was but one large tonnage general purpose rubber available—natural. The post-war period saw the rise of the synthetic to a position of dominance world wide by the early sixties. The extrapolative trend has resulted in the steady erosion of natural's share of the total market although, because of the more rapid overall rise in rubber demand, the actual tonnage of the natural product consumed each year has continued to rise. At this time natural holds some 33 per cent of the total market, although the Malaysians recently voiced the opinion that the "techno-economic" norm for the balance should be 42 per cent, which seems eminently reasonable.

However, the entry of "force majeure" in the form of an energy crisis, could wreck any such predictions, as well as wrecking the industry itself, were such a crisis to cripple the car market, or seriously restrict motoring in any way, and disregarding too any effects that such a crisis would have on the synthetic rubber maker's feed-stock situation.

Examining the rubber industry's biggest product sector—tyres—both natural and synthetic rubber makers must be prepared to accept some slowdown in overall consumption growth in this area.

The final acceptance by the Americans of the radial tyre, now means that the major tyre consuming areas of the world are committed to a product which wears up to twice as long as its immediate predecessor without consuming any more



rubber. There is the further promise that complete capitalisation of such developments as the Dunlop Denovo and the recently revealed Pirelli "compression sidewall" tyre will increase tyre mileages even more. They may improve the tyre maker's margins but they still won't use any more rubber.

## Largest product

The radial passenger tyre—which must be counted the rubber industry's single largest product—has shown little change in the balance of the materials it uses from its antecedent, the cross ply. This would seem to conflict with statements about European radials containing up to 40 per cent of natural rubber but, in the period 1962-1972 when the steady swing to radials took place in Europe, natural rubber's share of the tyre rubber market decreased rather than increased. As an example, in France it went from 58 per cent to 41 per cent, over this period, in Italy from 60 per cent to 43 per cent, and in the U.K. from 49 per cent to 41 per cent.

Where natural is still a major tyre rubber is in sizes larger than passenger car and light van. Here natural rubber's ability to run cool in large tyres of radial construction ensures it at least a short-term future.

The longer-term future is more uncertain, unless some efforts are made to stabilise natural rubber prices. With big investments at stake the tyre maker cannot afford to have one of his major raw material prices subject to the speculative whims of the commodities market, and many research pounds, dollars and DM are being poured into finding synthetic base compounds for large tyre manufacture.

The problem with the tyre industry is that in terms of rubber consumption, one tends to get blinded by it. Any other usage of rubber is held up against tyres and assessed as minor. Because of this there are many people in the industry looking for another tyre—a fifth wheel to add to the car which will engender rubber consumption on the scale of tyre usage. At present the El Dorado is seen in safety devices and it is envisaged that the car of the future may well be adorned with rubber bumpers and energy absorbers of some considerable dimension along both sides and at front and rear. Already many such devices and designs have appeared, all of which appear to work.

The problem is that such a market will not bolster the fortunes of the rubber producers in the event of the energy crisis materialising. Besides tyres,

Goodyear has recently calculated that the average passenger car world-wide already contains a further 65 kg of rubber, made up from around 600 components.

Turning to non-vehicle uses, the list of rubber consuming industries and products is endless, and the mere reflection that man could not have reached the moon without rubber serves as some indication of the unique position rubber occupies as a material in that it cannot be replaced in many applications.

## Usually higher

Certainly, although tonnages are lower once you move away from tyres, prices and margins for the raw materials maker are usually higher. The demand by many industries for performance rather than basic price has meant a "trading-up" of specifications and rubber qualities in areas such as medical components, fluid seals, belting, hose and building components, to take a totally random selection. It is in many areas like these that one moves from general purpose rubbers to specialties, whose prices can reach £20 a kilo rather than the 20p a kilo of the tyre maker's.

Each of the plethora of end-uses or end components of the non-tyre rubber market is estimated to absorb between

1,000 and 10,000 tons of rubber a year, and apart from tyres and a few areas such as conveyor belting, hose, footwear, flooring and adhesives, no rubber use accounts for more than one per cent of total consumption in a year. The typical non-tyre end use consumes around 5,000 tons a year of rubber.

At the same time there is a fairly high innovation rate for such uses, and this ensures that a fresh platform is provided on a continuing basis to keep non-tyre rubber growth rates up, in support of organic growth in established products such as hose and belting.

To achieve any major growth however, the rubber industry must fall back on engendering growth in the motor industry and hence growth in tyres and transport products. The reason is simple. If we could double the market for conveyor belting overnight—an unlikely achievement—then the world consumption of rubber would rise some 3.9 per cent. One could achieve this sort of increase with considerably less effort by engendering a 6 per cent growth in automobiles, a far more realistic goal when one considers the vast potential for swamping the under-industrialised third world with cars and trucks.

However, all this said, it is towards finding new uses for rubber that the producing industry is still striving in some cases with "consumer-pull" from other industry sectors. Even with both areas working together there must still be an acceptance that any new use which does arise will absorb a rubber tonnage probably less than a tyre maker's scrap product in a year; and yet such new uses are continually needed to engender growth in the industry, and to replace growth or consumption as established uses "peak out" or older applications dwindle and die.

Whatever else, the producers—plantation or refinery based—have to live with the fact that they are overshadowed by the energy crisis and from which at this time they cannot expect firm guarantees of continuing growth.



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## Investment in rubber via the stock market

By JEFFREY BROWN

First-time investors in the rubber growing industry are driven to find a good stock market. London's ready-made market in rubber futures is naturally open to newcomers but the uninitiated Stock Exchange (and its wide variety of quoted plantation companies) offers a less nerve-wracking introduction.

The association between the London stock market and the rubber growing industry is additional, dating back to the very beginning almost a hundred years ago. In 1873 rubber plantations were removed on their native South American forests and shipped to England for cultivation at Kew. Shortly after, they were once again on the high seas, this time heading for the Far East and backed by British capital. Antigua was carried out in India, Ceylon and Malaysia, and the three Malaya was named to become the most important commercial growing area. It remains so to-day.

For the U.K. investor this additional link between the stock market and the rubber industry is important. Basically means that the vagaries of the futures market can be avoided. Not that share prices themselves offer total immunity from fluctuation, but they tend to offer more stability, in terms of risk than futures. A salutary lesson look at way Rowntree Mackintosh and its partners recently in the market for cocoa futures.

## Massive revival

The major reason for investment in rubber plantations is that the commodity is only experiencing a "renewed" demand. Malaysian economy has been working through a period of slow growth for some time, until the latter stages of the country's rubber industry was in the midst of a recession. At one time last year the price of rubber hit its lowest level for more than two

decades, and but for diversification a large part of the Malaysian rubber industry would probably have been made insolvent.

Right now though, bankruptcy is just about the last thought that would spring to the mind of a rubber planter. The upturn in the world economy has led to a sharp rise in demand for natural rubber and as a result the spot price of RSS1 (ribbed smoked sheet, number one grade) now stands more than three times above its 1972 low point.

International buying has been operating on a grand scale, notably from Japanese sources, but to what extent prices have been lifted by pure speculation is impossible to tell. This is one fact that may perturb anyone contemplating an investment in rubber plantations, and indeed the prospect of speculative positions in rubber stocks being sharply unwound is enough to daunt the sector's most ardent fans. To date there are no obvious signs of that happening.

Of course an investment in rubber is not necessarily confined to the raw producers. Other outlets for the public's cash include the industries that manufacture from rubber—the tyre makers for one—and the oil companies which produce synthetic rubber. As a rubber investment the latter are perhaps something of a misnomer for synthetic rubber is an oil by-product and at present rates of production it plays a very nominal part in the profits make-up of the major oil companies.

In contrast the tyre manufacturers offer the investor a more relevant investment though the field in the U.K. is limited to a couple of companies, Dunlop Pirelli and Avon Rubber. At Avon the managerial push in recent years has been away from tyres and into specialised rubber products, like inflatable dinghies. Both companies have their problems and at Avon the battle is against a dormant share

of the tyre market in the face of stiff competition from the majors like Dunlop and the overseas giants, Firestone, Goodyear and Michelin.

As for Dunlop its troubles stem mostly from its three-year-old marriage with the Italian tyre maker Pirelli. Production at the Italian operation has been hit by some massive labour problems and failure to deliver to customers has begun to raise some question marks over the group's ability to maintain an important share of the European tyre market. Ironically, the shares of both companies now yield considerably more than the average plantation company at around 6 per cent apiece. Currently the dividend yield provided by the average rubber plantation is 4 per cent, which must come as quite a shock to the old-style trader in this market. Time was when the yardstick for tropical yields was Bank Rate and a point on top, guidelines that seem a bit rule-of-thumb perhaps, though they stood the investor in good stead for decades against a trading background charged with political and climatic risks. But times change (even Bank Rate is now called minimum lending rate) and a new set of investment rules are firmly in the saddle.

## Spreading risks

The reasons for this changing basis of appraisal are largely two-fold. First, practically all the old political risks associated with Malaysia have vanished. Secondly, the rubber planters' diversification into palm oil has added an extra dimension to the industry by spreading the risks of crop or price failure. Roughly speaking, the average Malaysian plantation company gets about 60 per cent of its profits from rubber with the balance accruing from palm oil. Moreover, many leading rubber companies now have extensive interests outside the tropics.

Guthrie Corporation, far

and away the largest grouping within the Malaysian plantations sphere, is an obvious example of this latter category with some 40 per cent of profits last year stemming from industrial interests in both the U.K. and Canada. Another company with sizeable U.K. earnings is Plantation Holdings, while Yule Catto is equally diversified and the Kulim Group owns an hotel in the West Indies. But for all this the major investment interest in the rubber sector springs from today's high prices for its two major commodities.

Currently the spot price of rubber is around 35p a kilo. That compares with a 1972 low of 11.45p and an average price not much higher at which the industry sold its output in 1973: Guthrie for one fetched around 14p on average for its rubber last year. The message from the palm end of the trade is equally exuberant with palm prices now standing at over £200 a ton against a 1972 low of £70 and Guthrie's average prices last year of £73 a ton.

Against this trading background plantation investment has been undertaken in earnest, and a quick glance at the way the various share sectors have performed this year illustrates this vividly enough. Against a fall of around 20 per cent by the All-Share index, rubber shares are the third best performer to date in 1973. Couple that with the sector's performance in 1972—a rise of more than half—and it is not difficult to see why rubber shares have their backers.

As for the more conventional plantation companies, names like Highland and Lowlands Para and Golden Hope spring to mind. Golden Hope has over 21,000 acres planted in mature rubber and nearly 21,000 decked out in palm. At Highland the figures are around 30,000 mature acres for each crop. In terms of earnings potential the whole industry has an outlook that—at present commodity price levels—is very healthy indeed.

PORTO TORRES 1973:

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## RUBBER AND SYNTHETIC RUBBER III

## Active programme of research

By TED SCHOETERS

Faced with the serious financial problem put to all industrial research associations by the most recent shifts in official research and development policies, one of the two key research organisations in the U.K. rubber industry — RAPRA (Rubber and Plastics Research Association) — is seeking to gain a broader contributing base by expanding its coverage of Europe. In October, a two-day meeting will be held in Gothenburg to acquaint the Scandinavians with the services the Association can provide in helping to solve problems in both the rubber and the plastics industries.

RAPRA expects this move to add to its membership list, and thus income, in Scandinavia as well as throwing up a number of new problems of general interest to the industries.

Overseas companies should not need much convincing of the competence of this organisation, which has a number of significant developments to its credit on the applied research side. One of the most recent projects has been the pressurised fluidised bed for the continuous vulcanisation of long lengths of hose or conduit.

## Several months

The outcome of half a decade of work on fluidising as an excellent means of heat transfer to an object being processed, the equipment developed has been moving into users' plant for the last several months. As now developed, it is able to accept tubing up to 60mm (2.36 inches) in outer diameter operating at pressures from atmospheric to 100 psi (7.03 kg per sq cm) and at temperatures up to 350°C.

Users ring the changes between temperatures and pressures to achieve optimum cure of their product.

Heat is provided by electrical means. The fluidised bed is made up of Ballotini, small spheres of glass which are chemically inert and non-wetting and fluidised by the injection of superheated steam—provide support to the extruded product while it is still in the soft, uncured state. The process is modular and sections can be added as required. Units such as the Ballotini removal equipment, sensor pack, seal unit and so on are necessary

ancillaries and only one of each is required per plant.

One major problem solved by RAPRA workers was that the glass spheres tended to stick to the surface of the uncured rubber and must be removed after curing. This was finally solved by passing the cured product through an annular chamber in which steam jets are made to impinge on the tubing, carrying a shower of spheres with the steam.

The glass particles strike the surfaces with enough force to detach adhering particles from the cured material.

Developments which led to the present equipment, the open fluid beds for continuous vulcanisation of extruded sections, quickly found their way into the automotive industry.

RAPRA has been taking a look at the possibilities of using powdered rubbers as the starting point in the production of important product lines in the industry. It has had access to information from Du Pont and B. F. Goodrich among other major companies, and it has come to the conclusion that there are significant advantages to be gained by adopting processes based on powder rather than bale material. These stem from the fact that the need to reduce the bale to processable form is eliminated, together with many of the handling and weighing problems. The latter improvements making automation simpler to achieve.

More important still is the fact that powder processes obviate the need to shear in outer diameter operating at pressures from atmospheric to 100 psi (7.03 kg per sq cm) and at temperatures up to 350°C.

The key to the whole problem is the premium users will have to pay for the powdered material and, according to the findings of a Du Pont Delphi probe, this must not be more than £18 per metric tonne for the process to be economically justifiable. Recently, the premium for granulated material has been from £20 to £40 and RAPRA expects that for powdered material to be around £30 to £40, diminishing with growth in the volume of

output. This is not the only pre-condition for the growth of a new branch of the industry, however.

There would also have to be many types of powdered material on the market and the processes into which these were drawn would have to be both reliable and economical.

## Test procedures

Because rubber is a particularly difficult material to standardise and test and because many problems arise in the course of studies to define what properties are required and how they should be measured, it is hardly surprising that a great deal of the work of the RAPRA organisation since its inception has been on test procedures and the development of the appropriate equipment to apply them. Throughout the rubber industry, laboratories and quality control sections are using RAPRA-developed devices including cureometers, age testers and ozone cabinets.

While RAPRA represents the industry as a whole, the Research Association which represents the natural rubber producers could be having a field day in so far as the present threat to petroleum supplies is concerned.

NRPRA (Natural Rubber Producers' Research Association) sees natural rubber as having an inherent potential "far exceeding its present usage, with opportunities for new uses for natural rubber having a respectable consumption tonnage and further growth to come."

The association's main project at the moment is the development of the natural rubber winter tyre. Many countries already have banned studded tyres of current designs because of the damage these can cause to smooth road surfaces overlaid by thin snow and ice layers.

These tyres have been under-going the most exhaustive trials possible in the circumstances, bearing in mind that Holland, West Germany and some of the U.S. States have reacted sharply against standard studded tyres.

U.S. Federal requirements to increase the safety of cars in accidents require that the vehicle should withstand impact with a fixed barrier at 5 m.p.h. and have no functional damage.

Inspired by NRPRA, the Ford company has developed the Ford Elastomeric Absorber based on natural rubber and representing enough consumption of basic material to be made equivalent to a fifth tyre on each vehicle.

This is a significant development in the present circumstances where vehicle safety is a paramount consideration. Its extension to the complete wrap-around bumper system absorbing even more raw material is only a matter of time.

Liquid rubber materials, on the face of it, should represent an easy entry into the bulk markets because such materials ordinarily represent the simplest way of starting a major production programme.

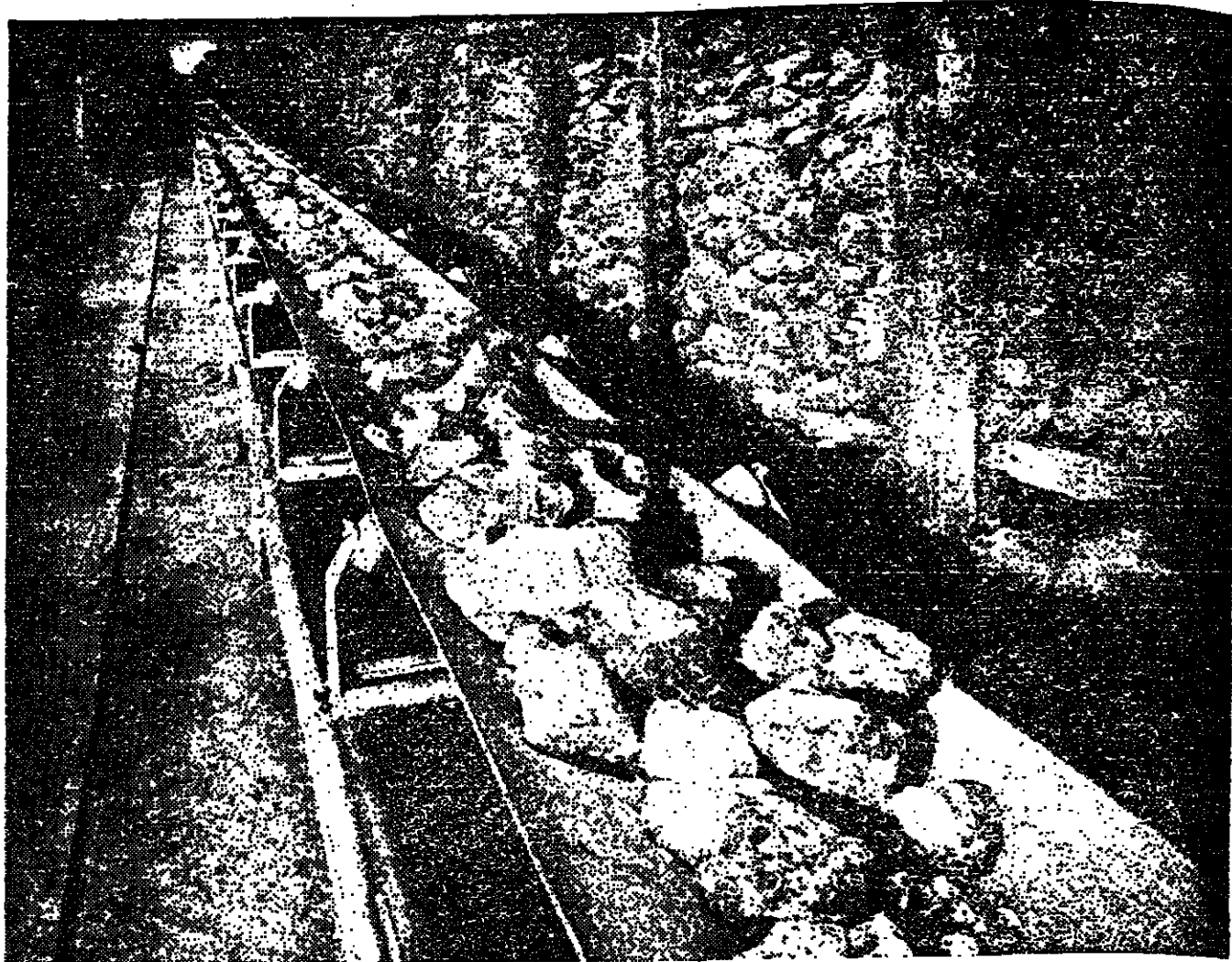
Unfortunately, so many of the big consumers of rubber have based their production systems on the heavy, expensive approach which has to be written down over a period of years that it is doubtful whether the new approach, leading to full automation, can be accepted before the so-called "third generation" liquid rubbers appear—they being available at much bigger premiums than the powdered materials mentioned above.

The fringe applications of latex are, of course, legion and expanding very quickly. Carpet backing in the fully fitted market is only one extremely successful area, hotly disputed by the natural rubber boys.

A new and interesting area for this material is the "sports surfaces" in which crumb rubber, latex and a cement are combined to give a non-slip surface with the resilience needed to protect the muscles of performers.

Urethane vulcanisation is another process which has resulted from NRPRA investigation. It offers a number of advantages to users in that it improves ageing properties of natural rubber as well as giving better reversion characteristics.

Under investigation in the U.S. it is already being improved in the U.K. by the addition of a method which would combine it with conventional sulphur vulcanisation. This adds the age-resistance of the previous system to the high speed of cure possible with sulphur vulcanisation.



Section of a 14,000 ft. installation of synthetic rubber covered Fenoplast belting (a product of J. H. Fenner group of Hull) for the carriage of minerals. These include coal, granite, chalk, gypsum and gravel.

## Natural bounces back

By JOHN EDWARDS

Natural rubber has for many years fought what seemed to be a losing battle against its synthetic man-made rival. Since 1940 natural rubber's share of total world rubber sales has declined from close to 100 per cent to about 35 per cent. Although its actual sales have risen to nearly 3.5m. tons compared with less than 1m. tons pre-war. In the same time, however, synthetic rubber sales have risen from virtually nothing to 7m. tons.

But now natural rubber producers are confident that their share of the total market can be increased significantly in the years ahead, with sales increasing at a faster rate than those of their synthetic competitors. This optimism is based on two main planks. It is the natural rubber producers' belief that the main reason for the slower growth in natural rubber sales has been that production has simply not been able to keep pace with the rise in demand.

Although there has been on occasions surplus supplies of natural rubber available at a time of depressed demand, there has also been severe shortage and higher prices on other occasions. Continuity of supply is one of the most important factors influencing buyers, so temporary shortages can have a long lasting impact on future demand.

However, in recent years quality and production have come just at the right time for natural rubber production, and it is hoped that this upward trend in output will be considerably accelerated. The planting of higher yielding trees in the 1960s and early 1970s should start to become really effective shortly.

At the same time productivity has been raised by stimulating trees with chemicals that reduce coagulation and allow a higher latex flow. The use of "Ethrel" phosphoric acid has been a significant breakthrough in not only raising yields but enabling tapping cuts of half the usual length, thus conserving the bark.

Better husbandry, more fertilisers and the possible use of plant hormones to speed up the period of the tree maturing are other factors which could raise output significantly.

The main increase in production in volume terms is coming in Malaysia, by far the world's biggest natural rubber producer. But output in Indonesia, the second biggest producer, is now going ahead again steadily after the setbacks suffered in the 1950s and there have been increases too in Thailand, Sri Lanka (formerly Ceylon) and most notably in India. The steep rise in prices during 1973 will certainly have helped stimulate interest in increasing output, although there is a six-year time lag between planting and full production.

The optimism of natural rubber producers has also been given a fillip in recent months by the reported slowdown, or at least lack of expansion, in synthetic rubber output because of a scarcity of the basic raw material used, oil, as a result of the well-publicised "energy

gap." Even if output is not affected as much as rumoured, the total rubber market. Basic prices of synthetic rubber will certainly have to go up and it is probably more vulnerable to the current inflation in costs than the natural product.

More importantly, natural rubber producers have made great strides in recent years in producing a new range of technically specified rubbers tailored to suit customers' special requirements. In the past one of the big assets enjoyed by synthetic rubber has been that special types, designed for specific purposes, have been developed to meet market needs and there is no doubt this has been a decisive influence in expanding the overall demand for rubber, and synthetic brands in particular available at competitive prices.

Buyers of natural rubber had, to a certain extent, to take pot luck. Malaysia especially has pioneered the development of technically specified natural rubbers, with the official introduction of the Standard Malaysian Rubber scheme in 1965. In 1966 only about 25,000 tons of the new SMR rubber was produced, but by 1970 this had risen to 300,000 tons and by 1975 it is expected that of the important factors influencing rubber produced, at least 1.25m. tons will be technically specified.

These improvements in quality and production have come just at the right time for natural rubber to take advantage of any shortfalls in synthetic output and certain trends 1974. The Malaysian Government has in recent years helped

accounts for over 50 per cent of the industry over these of recession by buying plus supplies, which always managed to dispose a later date at much levels.

But such is the importance of natural rubber exports to the producing countries moves are afoot for national co-operation by the main natural rubber producing countries to try and out the effect if possible fluctuations in demand, he interesting to see if this co-operation can really fresh onslaught by synthetic

ducers. A strength, and weak natural rubber product that it is gradually passing from the high estates to holders. The loss in production is compensated by the reduction in price on smallholdings replacing higher yielding trees saving in labour costs a encouragement of more investment in rural areas. But units are much less flexible regulating production to current demand. Since financial burden of seed duers through a bad time be too onerous for the to bear, the answer may lie in joint action with countries with a common interest.

In the long term, of course it is important for natural production to continue as fast as possible if it is to recapture a really significant share of the total market.

## Other uses

Many other new uses for natural rubber are being developed as well. But success in the future must depend on improving quality standards, and ensuring adequate supplies at economic prices. It was the shortage, and high price, of natural rubber that gave such an impetus to the synthetic industry during and after the war. The boom in demand during 1973 has enabled the natural rubber industry to shrug off increased releases from the U.S. stockpile, reduce stocks back to a reasonable level and make inroads into the synthetic market. Historically, however, rubber consumption is very vulnerable to any setback in industrial activity, such as is being predicted for later this year or in 1974. The Malaysian Government has in recent years helped

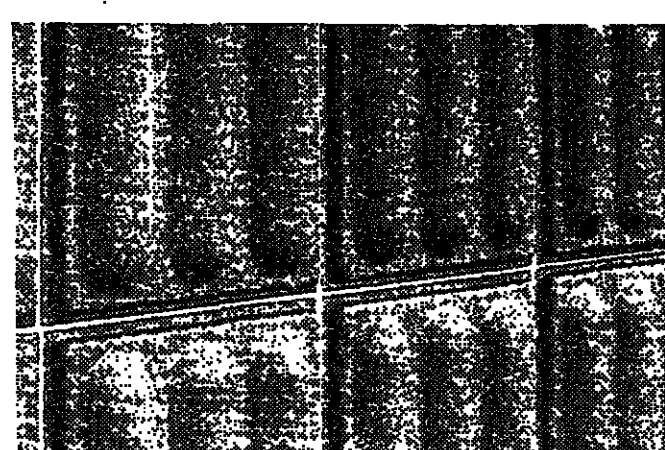
## ADVERTISEMENT

## New Silicone Rubber is flexible long wearing and tough in use

A new tough silicone rubber—Silastic® 4800—recently developed by Dow Corning, is meeting an application need in geological research where previously only organic materials had been considered. A major cable manufacturer, Reale in Italy, is producing cable for this application and Dow Corning specially developed tough silicone rubber to meet needs impossible with organics. Reale are supplying heavy duty cable for geological research—seismography, etc.—which must be tough enough to support valuable equipment and at the same time resist abrasion and flexure resulting from underground usage. For this application Reale produce a cable consisting of a central steel support sheathed in Dow Corning S-5517; around this are grouped twelve conductors insulated in the same material with a final all-enclosing protection of Silastic® 4800. As the cable was expensive, Reale were reassured to know that repairs could be effected with room temperature vulcanising silicone rubber but to date this has not been necessary.

## Department store gets quality finish with Silicone Sealant

Silicone building sealant is currently preserving the prestige appearance of a giant department store built for the Penney group in Cinisello, Italy. Penney needed a top quality material to match—and be an adequate adhesive/sealant between—the metal/ceramic fascia slabs. Around 600 kilos of Silastic® silicone rubber by Dow Corning was used, having been chosen for its colour retention properties.



Close-up of the fascia panels in-situ shows the clean, white appearance of the silicone sealant. The colour retention property of the Dow Corning product was the major factor in its choice for the building.

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Bauflex, the applicator, claim that, while initial cost of the silicone material is high over competition, this is more than compensated for by ease and speed of application, performance and clean appearance even after years of service.

## An original piece from the Louvre in your own drawing room?

The dramatic presence of a unique Louvre sculpture in your own drawing room can be incredibly life-like now that replicas, with the exact same form and appearance of the original are being made. In fact, the finish in terms of form, texture and colour is indistinguishable from the original.

Life-size replicas of many of the more popular small size statues in the Louvre are being reproduced in limited runs, employing a revolutionary moulding technique involving a new flexible Silastic® silicone elastomer. The new technique enables such startling reproductions to be the outcome of development work on silicone moulding rubbers by the American company Dow Corning and work by craftsmen in the mouldmaking workshops at the Louvre museum together with consultant fabricators such as Mr. Baudin of SODIN in Paris. The reproduction process involves a flexible silicone rubber mould made from the

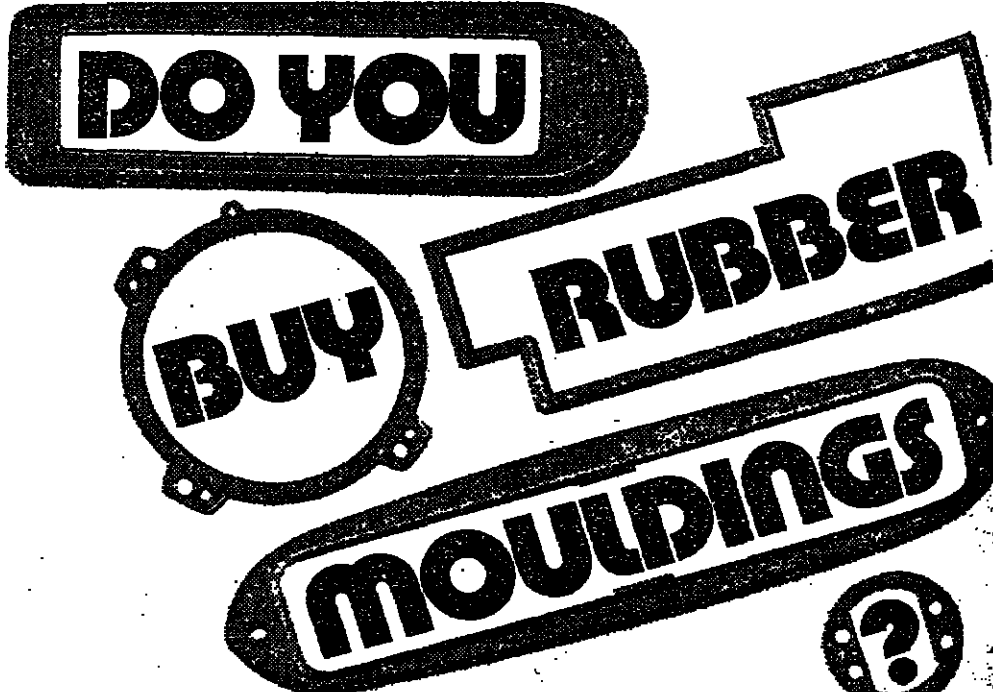
original statue and which subsequently reproduces absolutely every detail down to the finest hair or crevice. This same basic process is now being used

to reproduce such widely different objects as delicate computer components and paleontological remains. Work at the Musée de l'Homme

employing this technique to date skulls are now modifying details in the evolutionary time scale as a result of the precision of the moulding process.



The flexible Silastic® silicone elastomer, used in this revolutionary moulding process, enables the complicated shape of this "Egyptian cat" to be released from its mould with every original detail. Final colouring and finishing makes the reproduction indistinguishable in every sense from the original.



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## RUBBER AND SYNTHETIC RUBBER IV

## Growing uncertainty in synthetics

by NICK DOAK

The current growth in demand for synthetic rubber is maintained, the world will need a further million tons of capacity by 1977.

Plans and investment programmes for the necessary new plants and expansions will need to be completed within the year. These million tons are to be materialised on time, but, right now, the industry's planners do not know whether current demand growth can be maintained, or basic feedstocks provided, to justify this investment.

Until the synthetic rubber industry has enjoyed a grossed annual growth rate of around 10 per cent, despite recurrent periods of overcapacity. This growth has resulted from long-range planning of large plants, derived from extrapolative off-the-curves for product, and enabled the industry to weather the variable economic climate since World War II.

Now, for the first time, the world's synthetic rubber makers face an uncertain future and appear to have lost the resilience of their products.

The modern synthetic rubber industry came into being in the war, when supplies of the natural product were cut off. Its genesis was pre-war, but its growth and maturation took place during the conflict. The war-ravaged plantations of South-East Asia were subsequently unable to supply the

needs of the post-war boom, and the synthetic rubber industry was reactivated in the late 'forties as a fully fledged peace-time industry with an assured future based on the motor industry's insatiable appetite for tyres. By 1951 consumption of synthetic rubber had outstripped that of natural in the U.S., and it achieved world-wide hegemony a little over a decade later.

Despite the fact that the 7 per cent growth figure mentioned above is a global figure, most of the early growth was vested in the U.S. and Europe, the staple material produced being styrene butadiene rubber (sbr) the main raw material of the tyre industry. After 1980 the North American-European oligarchy was steadily broken as plants went up in the newly emerged industrial nations, much akin to the proliferation of national airlines.

## Brought lower

The economic point for installing of domestic capacity rather than importing was brought lower by the appearance of petrochemical refineries for feedstock supplies, and car and tyre factories for customers, around the world. Thus Japan, Australia, Brazil, Argentina, South Africa, Korea, Mexico, India and the Eastern bloc countries were soon into the business.

In expansion, Japan outshone the rest, including all European

countries, pushing output of synthetic rubber from less than 20,000 tons in 1960 to over 800,000 tons last year. (In the same period the U.K. moved production from 90,000 to 305,000 tons.) Japan is now second in the world league to the U.S. In Europe, France leads with the U.K. and West Germany following. All in all, name plate capacity for synthetic rubber is at present 8.38m. tons world-wide, actual production last year being 6.5m. tons, and consumption 6.4m. tons. This leads to the obvious question: why, with nearly 2m. tons of excess capacity lying about, do the planners think we may need another million by 1977, and why are they hesitant over its installation?

The answer to the first part lies with the fact that there is currently a boom on, and demand growth is running at a very high level. By 1977, we will need all our present capacity plus a good part of the million tons being talked about, leaving some excess for safety, and always remembering that name plate capacity is one thing, economic production capacity is another. This all assumes that present demand growth rates will be maintained over the next five years.

The hesitancy over putting money in now has two roots. The first is the undeniable difficulties presently being experienced in feedstock supplies; the second is symptomatic of the

polyisoprene and epdm, for all of which there are large installed capacities world-wide. The problems are that they are also feeling the longer-term pinch of the energy crisis, even though they are at present in a better position than sbr with its proven feedstock shortage. Butadiene, the other part of sbr and the route stock for polybutadiene, is readily available in Europe as a by-product of ethylene production by the naphtha-cracking route. For every 100 tons of ethylene produced you get 15 tons of butadiene, its only large market being the sbr makers. In the U.S., ethylene is made from ethane-rich gas condensate, and the synthetic rubber makers over there have to make their butadiene synthetically. An interesting thought here is the possible result of an ethane-rich gas find in the North Sea. Such a find could engender the adoption of an ethane route to ethylene in Europe, and deprive the sbr makers of their cheapest source of raw material.

These prices have been remarkably stable over more than a decade and a half, as raw material prices decreased, due to plant efficiency increases and the economies of scale "cushioning" rises in other overheads such as money rates and labour costs. Later, with an escalation in all costs, and the final ounce being wrung from plants in terms of economies of operating efficiency and scale, synthetic rubber makers' margins are seriously threatened. Any raw materials price increase is now an almost automatic "pass on."

What about alternative materials to sbr? Well, there are plenty of these, prime examples in the large tonnage bracket being polybutadiene,

polyisoprene and epdm, for all of which there are large installed capacities world-wide. The problems are that they are also feeling the longer-term pinch of the energy crisis, even though they are at present in a better position than sbr with its proven feedstock shortage. Butadiene, the other part of sbr and the route stock for polybutadiene, is readily available in Europe as a by-product of ethylene production by the naphtha-cracking route. For every 100 tons of ethylene produced you get 15 tons of butadiene, its only large market being the sbr makers. In the U.S., ethylene is made from ethane-rich gas condensate, and the synthetic rubber makers over there have to make their butadiene synthetically. An interesting thought here is the possible result of an ethane-rich gas find in the North Sea. Such a find could engender the adoption of an ethane route to ethylene in Europe, and deprive the sbr makers of their cheapest source of raw material.

## Higher price

Polyisoprene, chemically identical to natural rubber, is also a well established synthetic, although at a higher price than the "workhorses" sbr and polybutadiene. The isoprene monomer used in its manufacture is all made by hydrocarbon synthesis and is therefore relatively expensive. However, with prices as a result of the oil crisis, and the price of the natural product currently running at its highest for many years, it is fast becoming an

attractive alternative in many applications. As to uncertainty over future markets, the threats hanging over the internal combustion engine as a prime mover, and thus hanging over the tyre market, make accurate forecasts of future tyre demand a chancy business without supernatural guidance; also the radial tyre, now a standard product, lasts longer than its cross-ply predecessor without consuming any more rubber, and between the two of them these facts put a ceiling on future rubber growth rates.

The dependence of the rubber makers on the vehicle industry has often been decried, especially during the periods of overcapacity which happen in the synthetic rubber business. On each occasion the cry has been "develop new markets for synthetic rubber," but the reality of removing tyre dependence has each time proved to be a mirage and, as boom times have followed recessions and the tyre market has picked up, the pressures have eased.

Lately, the pressures for some diversification have increased, and it may well be that the future of the synthetic rubber industry will of necessity be one of lower growth rates, with capacity increments limited by the availability of feedstock, offset limited by higher product prices and a lower or zero growth in established markets. Concomitant with this could be a major research programme into possible new uses, directed toward restoring some of its former bounce to the industry.

## Production capacity kept fairly busy

By a Correspondent

The U.K. can probably boast a current installed synthetic rubber production capacity of some 480,000 tons a year, with an economic running capacity of about 60,000 tons less than this. Of this gross productive capacity, over 350,000 tons is vested with one company — International Synthetic Rubber Company (ISR) — which is consequently often regarded as being the U.K. synthetic rubber industry.

In fact, before ISR went into production in 1958, ICI had been operating a unit for two years making nitrile, although this plant has been subsequently closed, the product rights being sold to Revortex. Also pre-dating ISR were the silicone rubber plants of ICI at Stevenston and Midland Silicones, now at Dow Corning, at Barry.

In the same year that ISR went into sbr production at Hythe with its original 50,000 ton plant (1958), BP Chemicals — the British Geon — started production of nitrile rubbers at Barry, to be followed by DuPont with its polychloroprene (neoprene) plant at London-derry in 1960. 1962 saw Uniroyal commission its latex plant at Bromsgrove (at that time under the name Sto-Chem) and the following year Esso went into nitrile rubber production at Pawley, Marbon with latex at Grangemouth, and Doversand (Revortex) with latex at Stallingborough. The last plant to go up was Dow's latex plant at King's Lynn in 1969.

In the meanwhile ISR had been idle. Besides con-

tinuous expansion of the Hythe plant to produce more sbr, speciality latex and abs plastics, the company had also commissioned a solution polymerisation plant at Grangemouth in 1963, originally to make polybutadiene. At this time the plant makes solution sbr, epdm and carbon black masterbatch as well.

Besides sheer tonnage, ISR is set apart from the other members of the U.K. synthetic rubber industry in another way. It is the only large-scale producer of general purpose tyre rubbers — sbr and polybutadiene — for the U.K. rubber industry and was set up precisely to fill this role.

In the post-war boom, tyre makers came more and more to rely on styrene butadiene rubber (sbr) as their base raw material. In virtual monopoly on production and U.K. companies had to import from them. The dollar crisis of the fifties put severe pressures on this trade and it was eventually mooted that the U.K. should have its own captive sbr plant to supply the tyre makers' needs. The problem was that no single company could absorb the output from an economic plant, let alone afford the capital to build it, and so a consortium was formed which founded ISR with an initial capitalisation of £4m. The members of this consortium were Dunlop, Firestone, Goodyear, Michelin, Avon, Pirelli, Uniroyal and BTR.

At the outset ISR's original

Hythe plant was seen as a secure domestic source of a much needed commodity, but from its simple start it has now grown into Europe's largest synthetic rubber manufacturer, producing sbr in both emulsion and solution, polybutadiene, epdm, speciality latexes, abs plastic, carbon black masterbatch and is half owner of a carbon black plant as well. Its record in research and development is impressive, and it has made major contributions not only to saving import costs but to providing export earnings. The original £4m. investments have paid off handsomely to its investors.

## Not unscathed

Not that it has escaped unscathed the periodic recessions of the world's industry, or their problems of feedstock supply and price escalation. In this respect it is in some ways worse off than other U.K. sbr producers which sell predominantly higher priced more specialised products — both dry rubber and latex — into more specific markets without having ISR's tacit dependence on the tyre market.

While these other companies have also had their ups and downs many of their customer industries such as paper, textiles and carpets have enjoyed more spectacular growth rates than vehicles, if not a base market of comparable size. Because of this, and because ISR's plants have some inherent flexibility, ISR is itself a major supplier to these more rewarding markets, which it serves with latexes. However, this must be seen as jam, with sbr and polybutadiene still forming the higher-volume, lower margin, bread and butter.

Looking at the other U.K. manufacturers, Uniroyal, Marbon, Dow and Revortex must all be classed as "non-rubber" suppliers. That is, they supply latexes for industries outside the traditional consuming areas, a subject more fully covered elsewhere.

BP Chemicals manufactures nitrile rubbers both solid and latex. Again, much of the latex goes to outside industries such as paper and textiles, but the solid rubber is used within the rubber products industry principally in oil-resistant applications such as fluid seals and also in the manufacture of adhesives. A similar pattern is seen for the neoprene made by Du Pont, the latex goes out of the industry, the solid rubber goes into weather and oil resistant products.

There is probably more neoprene sponge sealing strip on U.K. cars than any other material. Silicones, from Dow Corning and ICI go into the top end of the market for resistance to inimical environments, and only Esso allies itself with ISR in having much of its product taken up by the tyre market, apart from the longer term future of as butyl and halobutyl rubbers are used for inner tubes and liners of tubeless tyres.

The long-term future of the U.K. synthetic rubber industry is intimately bound up of course with the future of its major customer — the tyre industry — and with the continuing avail-

ability of feedstocks. Both are likely to be first line casualties in any energy crisis. If we neglect this latter factor, then the future of the U.K. synthetic rubber industry is inextricably bound up with the future of European industry.

There is a free interchange of synthetic rubber across most frontiers, where tariffs have been levied these have tended to be low, and the result has been an undistorted trading picture. For very many reasons most synthetic rubber producing countries are both importers and exporters of synthetic rubber. In the U.K. we import types we do not manufacture, such as synthetic polyisoprene, and export on a general basis.

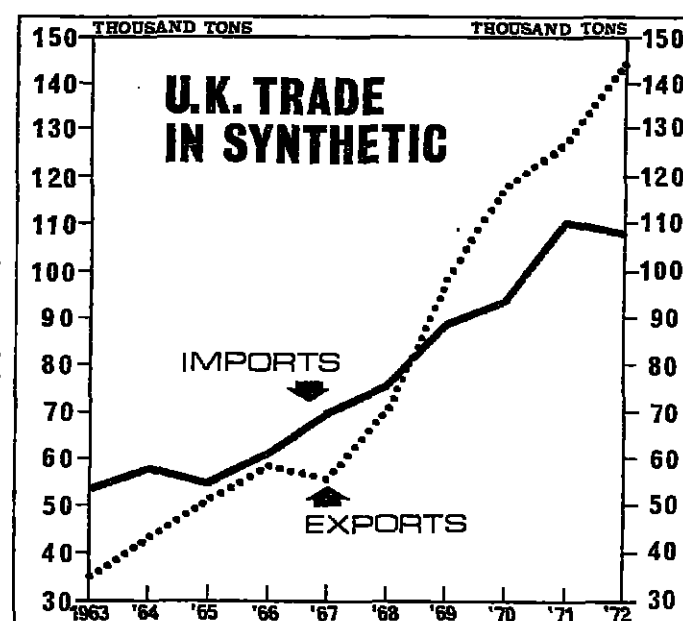
Our balance of trade in tonnage terms is in our favour, and has been for four years. The point is that such factors as the enlargement of the EEC have had little, if any, effect on terms of synthetic rubber trade and have not opened up new vistas per se. Accession to the community did have one or two useful effects, such as granting U.K. sbr makers access to duty-free butadiene on a "shopping" basis from Europe and elsewhere.

At the time that the U.K. joined the EEC, various predictions were made that the rubber product manufacturing industry would benefit most, not from tariff realignment, but from any faster rate of economic growth that might come from the enlarged community plus, perhaps, better margins of operation from rationalising into larger operating groups, and of selling to rationalised customer units such as amalgams of the international car makers.

## Slow in coming

These have largely proved to be correct, although the rationalisation of rubber product manufacturers and customers has been slow in coming. For their part, as suppliers to the rubber product makers, the synthetic rubber manufacturers have largely waited for economic growth and faster product off-take to boost their own growth rates, they cannot force the market themselves. This applies equally to the U.K. as to other West European synthetic rubber makers.

In the meantime there seems to be some demand growth in the European market to keep the plants busy, even if some of the raw materials are short. Certainly too, the U.K. synthetic rubber manufacturers have achieved a remarkable success in terms of export, and of innovation. The much publicised energy crisis, if and when it comes, will clobber the U.K. as indiscriminately as it will clobber everyone else in the synthetic rubber business, but this factor apart the longer term future of the U.K. synthetic rubber industry can be seen in terms of steady rather than spectacular growth, with only perhaps polyisoprene to be added to the productive armoury of the industry, and probably no more "greenfield" plants to be erected.



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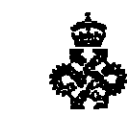
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# Towards a united American stock market

U.S. moves to unify all share dealings have morals for the future of the London market. From Nicholas Colchester, New York

SOME TIME in the future the bourses of Europe may well face the problem that now confronts the stock exchanges of America—that of creating a single market for securities out of a series of separate exchanges, so that every stock buyer can be brought into contact with every seller to create a truly representative price.

This is a process in which economic idealism runs up against reality. It confronts the vested interests of establishments with grave financial difficulty and makes them very unsure whether they want the status quo disturbed. When and if the process begins to evolve in Europe, the London Stock Exchange could find itself wrestling with the present dilemma of the New York Stock Exchange: it is the pre-eminent medium of securities trading. It is proud of its past, defensive about its present, and distinctly unwilling to see its well tried procedures buried in a maze of telephone lines and cathode ray tubes.

## Balking

The idea of the central market has spawned from the technology that made it possible. Science has raised its unblinking head in the City of London in the shape of Ariel, the electronic trading system that threatens to let investing institutions by-pass the Stock Exchange. Wall Street has already digested its equivalent of Ariel, Instinet: it is chewing hard over NASDAQ, another electronic system that has greatly increased the information flow in the over-the-counter market, and it is frankly balking at the prospect of a central market that threatens utterly to change its way of life.

The central market scheme has been kicked around for some time but, within a year, should finally bear fruit. In addition, during this winter a new stock

ticker will begin to roll. It will show the last sale and the trade volume of a range of stocks on all the stock exchanges in America and in the "third market"—where dealers make their own markets in exchange-listed stocks off the exchange floors. To the exchange's chagrin this tape will be the forerunner of the central market in that it will, for the first time, give each exchange's last sale in any stock equal publicity everywhere else.

## Pilot tape

The composite tape, as it has been christened, will start with a 20-stock pilot tape and then build up to two tapes carrying New York Stock Exchange stocks on one and American Stock Exchange, with a few regional stocks, on the other. During the early days of the tape's operation certain universal rules will have to go into effect. They will cover the possibility of manipulating stock prices and the short selling of stocks. They will be designed to give dealers in the third market, specialists (roughly jobbers) on the regional and New York exchanges, and brokers everywhere the same basic trading rules in these two respects.

At some later stage the experience gained with the composite tape will be used to put together a true central market where bid and ask quotations—in other words, prices before rather than after transactions—are propagated from everywhere in the U.S. to everywhere else. The electronic network needed to achieve this will be broadly similar to the NASDAQ system already working in the over-the-counter market. Specialists and dealers in any stock type their quotations for that stock into a computer terminal that simultaneously shows the market in that stock being made should finally bear fruit by everyone else. In addition, during this winter a new stock

specialist-dealer will show the putter and infallibly honoured, descent from riches to rags this number of shares that he is and also to cope with a public justice is no consolation to the willing to trade at his broadcast preference rule laying down millions of Americans who have price. The broker has a passive that orders placed via a broker banked their stocks with their terminal that gives him, on call, by the public be honoured in brokers.

It is at this moment that Washington is pushing toward the implementation of a trading system that will make the stock exchange floor obsolete, will allow the ever-expanding investment institutions to by-pass the market makers and go straight to the market makers, and encourage surviving brokers to become what were once NYSE trades market makers themselves. The most through the third market and

If the reader begins to find the complexity of all this hard

investment manager's eye. He has none of the uncertainty of watching the tape one moment and telling a broker to do the best he can with a largish piece of equity the next. Fund managers talk of the simplicity of doing business in the automated "third market" that currently deals in NYSE stocks. Then there is the problem of market fragmentation that has arisen in the U.S. as the institutions have started to channel what were once NYSE trades through the third market and

maker. To-day, with NASDAQ, the market shown by one instantly shown up on the screens of the others, a soft-peddling is made difficult.

The effect is perhaps obviously displayed in the surprising lack of institutional interest in Instinet, as being available for sale or purchase. In an market the funds are in league and further add to their advertise a sale or a purchase. The result is so nakedly and this makes a "two-tier market" in which wonder what London's stocks oscillate worryingly, lent of Instinet—Ariel, rising at the hint of a fund purchase, dropping at the hint of a fund sale.

## Rearguard

The reaction of the critics to this situation is that the funds must be constrained to sell and buy stocks at a sober pace. It is an irony that they would create by regulation exactly those impediments to rapid sale and purchase that funds met on the exchange floor before the progressive broking houses decided to help them with this "block-trading" by taking positions in stock and thus becoming, in effect, dealers.

The success of NASDAQ does not give much guidance about the impact of the central market on liquidity. Most people agree that NASDAQ has made the over-the-counter market much easier to trade in, but are less sure that it helps with stock liquidity. It seems that the system may cause greater swings in liquidity than were experienced in the old days of separate market-makers. Suppose that ten into dealers make a market in a particular stock and that a fund has decided to get out of it on the recommendation of its research department. In the old days it would ask its broker to do a smooth job on the sale and the broker could achieve that by making separate thousand screens approach to each market country.



rules of the New York Stock Exchange its members are at the moment firmly restricted to their own exchange floor when trading NYSE-listed stocks. It will mean that the obligations involved in market-making have to be spelled out. At the moment a third market dealer is under a fraction of the constraints upon a specialist in a stock on the NYSE. It will involve a clear ruling whether the investing institutions should be allowed to act as their own brokers. At the moment they are banned from the New York Exchange but allowed on to some regional exchanges.

In addition, the system will have to be designed to allow limit orders to be registered centrally in the control computer to believe he shares a little of the wonderment of the average Wall Street broker. Having chosen wartime to go to the moon, America will now proceed to uproot the very symbol of its capitalist system at a moment when the securities industry is heading fast towards bankruptcy.

The stock market and its trading volume are down. The public is still out of it. Institutional investors are very much in it, but they are now trading at cut prices. Members of the NYSE are losing about \$40m. a month. The stock exchanges in New York are struggling to stay out of the red. Wall Street is, in short, very close to the rocks and though some might find poetic justice in its rapid

brutal assessment of this push obvious that these discrete trading centres must be pulled together into one system if the price of any security is to remain truly reflective of total supply and demand. Statistically the central market sounds like economic perfection: it provides many buyers, many sellers, and the instant carrying and changing of information. It is when dynamic considerations are taken into account that the desirability of the central market becomes less clear. How will it behave under the impact of a large block of stock? Will it be able to damp the speculative surges to which American securities trading seems prone?

## Simplified

Certainly the envisaged central market has procedural attractions. The process of trading is greatly simplified because the offers made by dealers are presented simultaneously to the

## Citroen prices rise 4-12%

By David Walker

CITROEN YESTERDAY became the latest overseas car manufacturer to raise its prices for the British market in the wake of the fluctuating currency situation.

Like several other vehicle importers, the company is also passing on higher prices imposed by its factories in France.

The increases which, Citroën said yesterday, are generally less than the upsurge in costs now being borne by the company, range from 4 to about 12 per cent. They come six months after the company last made its cars dearer in the U.K., a period which has seen the pound sterling decrease in value by about 5 per cent, in terms of the French franc.

The rises mean that the Citroën Dyane 4, one of the cheapest cars on the British market, goes up from £715 to £751 after tax. At the other end of the company's range, the Citroën SM, previously recommended to sell at £5,480, becomes £5,614.

Among Citroën's other models, the Ami 8 Confort Estate goes up to £965 from £964, the GS club saloon to £1,395 from £1,347, and the DS 20 saloon to £2,181 from £2,088.

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*Exports from the UK	£8.1 m	11
Sales by Overseas Subsidiaries	£14.5 m	21
Profit before taxation	£5.2 m	21
Dividends to Shareholders	£1.3 m	
Retained in the business	£2.1 m	
Basic earnings per share	8.5 p	

\*Includes £2.1 million to overseas subsidiaries

Copies of the Annual Report and Accounts and the Chairman's Statement may be obtained from the Registered Office: North Circular Road, Chingford, London E4 8GA. The Annual General Meeting will be held in the Abercorn Rooms, 6 Eastern Hotel, Liverpool Street, London EC2P 2AN on Thursday, 2 September, 1973 at 12 noon.

## G.M. FIRTH (Metals) Limited

### STEEL STOCKISTS AND MERCHANTS

#### Mr. G. M. Leadbeater reports

It is with pleasure that I present my first report since the Company's public flotation last August. In the prospectus for the flotation, the Company forecast for the year ended 31st March 1973 a profit before tax and before non-recurring interest of not less than £400,000. In the event, the comparable profit was £434,303. The interim dividend paid was 2.1p (gross) per share, compared with the forecast in the prospectus of 2.0p (gross) per share. The Company is proposing to pay a final

dividend of 2.45p (net) per share, which is equivalent to the forecast of 3.5p (gross) per share contained in the prospectus, and shareholders are offered the option of taking the final dividend in the form of an equivalent scrip issue.

Bearing in mind the national dock strikes and its prolonged after-effects, in particular the difficulty in obtaining vessels and shipping space, it is gratifying that the forecast was comfortably exceeded.

	1973	1972
Turnover	£4,054,695	£3,085,539
Trading profit	£434,303	£311,539
Earnings	£250,812	£143,526
Earnings per 10p share	10.73p	7.39p

In the year under review the Group achieved several major objectives:

- 1 The business of our international high-grade ferrous scrap subsidiary, H.E.T. (Steel) Limited, was reorganised so as to be better able to meet the demands we could foresee in international markets.
- 2 A 36,000 sq. ft. factory and warehouse at Bradford was virtually completed.
- 3 Further modernisation and expansion took place at Stillington, Co. Durham.

We are particularly proud that, in addition to laying these firm plans for the future, Group sales and profits increased by approximately one-third. Our profit margins, which were again in excess of 10%, our turnover of stock and our return on shareholders' funds are, so far as we can ascertain, among the highest in the industry for companies of our size, and they reflect, we believe, the success of our management. It is particularly appropriate, therefore, that I should pay tribute to the abilities and enthusiasm of our young management team and staff.

#### Prospects

The steel market is currently in a state of boom throughout the world and the problem is one of obtaining supplies rather than sales. It would, however, be foolhardy to imagine that this situation will continue indefinitely and your directors are concentrating their efforts on building a Group capable of expanding its business in more difficult times. Profits for the first quarter of the current year are substantially higher than for the corresponding period of last year, and I feel confident that for 1973/74 I will again be announcing increased profits.

A copy of the report and accounts may be obtained from:

The Secretary  
G. M. Firth (Metals) Limited  
Wallis Street Works - Cemetery Road  
Bradford BD8 9RP  
Telephone Bradford 491441

## It takes



## all sorts to make



## a merchant bank



## Montagu

Samuel Montagu & Co. Ltd., 114 Old Broad Street, London EC2P 2HY Telephone: 01-588 6464  
Regional Advisers in Birmingham, Leeds, Leicester, Manchester and Sheffield.  
Please telephone or write to "The Information Centre" at our London address for a copy of our illustrated brochure.



# Vickers to hold inquiry into mini-submarine incident

(MICHAEL DONNE)

ERS OCEANICS, the company which built and owns the ersible (mini-submarine) s III, which was rescued he ocean bed on Saturday, hold its own technical y into the incident.

The main aim will not be to rium blame for the incident, hich two crewmen, Roger an and Roger Mullinson, rapped on the bed of the sic for 72 hours, but to ver whether any changes to be made either in the n. of the craft or in its of handling.

The inquiry will probably take eek to ten days, largely use the two rescued men hen given a brief history eover from their ordeal.

ees III is now on board the er ship Vickers Voyager, id for Barrow-in-Furness, e it will be thoroughly over- e before being sent back egime deep-sea cable-laying ations.

preliminary study into the e operation has convinced Vickers chiefs that the tech- e employed to rescue the rapped men were justified. ekers does not intend to eant further until its in- y inquiry is completed, but

## Pensions Board chairman

BY DAVID WALKER

SIR PHILIP ALLEN, until recently Permanent Secretary at the Home Office, is to be chairman of the Occupational Pensions Board, which comes into formal existence tomorrow to administer the Government's new plans for occupational pensions, the Department of Health and Social Security confirmed yesterday.

He was chairman of the "shadow" Board set up by the Government to undertake preparatory work before the Social Security Act, 1973, was made law.

The statutory Board, whose responsibilities are named

formally as being "administering the provisions of the Social Security Act affecting occupational pensions schemes and advising the Secretary of State on occupational pension matters" has much the same membership as its "shadow" counterpart.

Three new members, however, were named yesterday. They are Miss Agnes M. Patrick, a member of Glasgow Corporation and of the National Insurance Advisory Committee, Miss Shelagh Roberts, an industrial relations adviser, and Mrs. Patricia Turner, director of the General and Municipal Workers' Union women's department.

## Air show aimed at industry

By Our Aerospace Correspondent

MANY BRITISH and foreign-built light aircraft will be on show at this week's Business and Light Aviation Show at the Cranfield Institute of Technology, Bedfordshire.

The aim of the show, organised by Flight International in conjunction with the Business Aircraft Users' Association and other aviation bodies, is to encourage a greater awareness in business and industry of the advantages to companies owning their own aircraft.

Already, some 65 companies in Britain have a total fleet of about 100 light aircraft of various kinds, worth about £25m.

The BUA is organising a seminar at Cranfield, at which several industrialists who do have company aircraft will discuss the benefits. These include Mr. Angus Mackenzie-Charrington, of Bass-Charrrington, Sir Philip Oppenheimer of de Beers, and Mr. Mervyn Price, chairman of the international division of Unigate.

The show remains open until Thursday.

There will be a Cranfield Air Pageant, open to the public on Saturday and Sunday, including the King's Cup Air Race.

Admission to the show and the pageant is £1.

## BUSINESS OPPORTUNITIES

ACQUISITIONS & MERGERS BY AGREEMENT

### CHESIAM

AMALGAMATIONS & INVESTMENTS LIMITED  
LICENSED DEALERS IN SECURITIES  
38 Chancery Lane, London WC2A 3PL. Tel. 01-235 4551

## A private company operating in the AUTOMOTIVE COMPONENTS

business is the largest independent U.K. manufacturer in its product field. An efficient sales and distribution organization has been established to serve the U.K. market through wholesale outlets. In addition major export business is being achieved throughout the world.

This company wishes to take advantage of its excellent trading position by diversification into other product fields within the automotive components supply industry. U.K. or foreign companies interested in reaching sales and distribution agreements for their products either in the U.K. market, the export market or both are invited to put forward their suggestions. All propositions will be considered and confidentiality will be respected.

(Ref: K7 566/FT)

REPLIES will be forwarded direct, unopened and in confidence to the Managing Director of the client company. Please quote the reference number on the envelope and send to:

PA ADVERTISING LIMITED,  
2 Albert Gate, Knightsbridge,  
London SW1X 7JU. Tel: 01-235 6060

## GROUP OF COMPANIES

contracting specialised works for the Petrochemical, Electrical & Building Industries  
Management: BRUSSELS  
Subsidiaries: BENELUX, FRANCE, WEST-GERMANY  
1966 Turnover: \$500,000 — 1967: \$10,000,000  
HAS  
Manpower — Organisation — Markets allowing for large expansion  
SEEKS FINANCIAL BACKER  
This offer would particularly suit a Group with similar or complementary activities and wishing to set foot in Continental EEC. For first contact, please write to Box E.1075, Financial Times, 10, Cannon Street, EC4P 4BY.

## DON'T SELL YOUR INDUSTRIAL LAND AND PAY CAPITAL GAINS TAX - MAKE IT REVENUE PRODUCING

We will develop your land for you at our expense and pay you a percentage of the rents. Sites of 2 acres upwards are of interest anywhere in the U.K.

Contact G. C. Evans,  
Industrial Developments Director,  
A. & J. Mucklow Group Limited,  
Halesowen Road, Cradley Heath, Warley,  
Worcestershire. Tel: 021-550 1841.

We are the largest owners of factory estates in the Midlands.

Confidentially...  
convert your debtors into cash

CONTACT-Confidential Invoice Discounting Ltd  
P.O. Box 400 Brighton BN1 4HT. Phone: 0273 66709

ESTABLISHED MANUFACTURERS AGENT

required for sale of products to builders/merchants in the Home Counties.

Contact Mr. R. Plant,  
Kelly & John Plant Ltd.,  
Shepherd Mill, Edenfield Road,  
Morden, Rochdale.  
Tel: Rochdale 38251

£100,000 + CASH AVAILABLE

A finance group has substantial funds available either to finance interesting propositions or purchase profitable companies. Financial and management expertise can be provided. All serious propositions will be considered and strictest confidence will be observed.

Write Box E.1058, Financial Times, 10, Cannon Street, EC4P 4BY.

RELEASE YOUR OWN CASH

By discounting your invoices 95% paid by return on approved accounts.

Mortgages also purchased.

Phone A. J. RATCLIFFE  
Bolton 66813/6. Telex 63415.

£10,000 A YEAR - PART TIME

You can earn that from Property. If you have the know-how, full-time, there's no limit. If not, study the famous Property Letter. It tells what to buy, where to and the best how to convert. Free introductory service.

Details from:  
Box 110, Property Letter, G. Upper James St., London, W.1.

FOR SALE OR MERGER

Privately owned very profitable old U.S. manufacturer of bulk flavouring materials for ice cream, beverages, etc. considering merger at this time. Principals only reply to Box E.1060, Financial Times, 10, Cannon Street, EC4P 4BY.

SHIPPING

if you are buying a ship or already operating small fleet and need skilled technical advice including world-wide pre-purchase inspection contact U.K. International Consulting Marine Surveyors, tel: 0252 6121, 10, Cannon Street, EC4P 4BY.

HOLLAND

Speciality Printing Company available. Turnover £750,000 approx. Pre-tax £250,000. Principals only please. Write Box E.1061, Financial Times, 10, Cannon Street, EC4P 4BY.

COMMISSION PAID

We are hungry for business. Provide us with a good opportunity to secure between £20,000 and £250,000. Only genuine proposals. Fully reviewed after payment. Box E.1062, Financial Times, 10, Cannon Street, EC4P 4BY.

## ITALY

DO YOU NEED TO SET UP AN OFFICE AND HAVE YOUR OFFICIAL ADDRESS IN MILAN?

We are a Company supplying facilities and we offer our customers:

- Very modern and suitably located offices
- A 7-line telephone exchange and a "great talkers" line
- Telegraph addresses
- Secretarial facilities
- Business assistance, where required
- Possibility of accommodating customers' trusted business collaborators, when required.

Monthly compensation to be established on a lump sum basis, according to the facilities we are requested to supply, plus postal and telegraphic expenses.

Please address enquiries to:  
Casella T-81 S.P.I. 20100 MILAN (Italy).

## WEST INDIAN PROPERTY DEVELOPMENT

A leading property development company situated in one of the most progressive Eastern Caribbean countries with all public utilities, established tourist trade and international airport is seeking active financial and development participation by experienced property development companies.

The facilities already on the property are well advanced with an international hotel complex. The existing development is of a high order with tarmac roads, mains electricity and water leaving a further 1200 acres for development.

The form of participation required would probably be acquisition by way of cash and options of specific areas for direct approved development of residential or holiday houses or condominiums.

An investment by an established property company would be free of any dollar premium and should show an excellent and secure return.

Participations of a high order are available and would be expected from interested parties.

Contact The Managing Director, Box E1023, Financial Times, 10 Cannon Street, EC4P 4BY.

## BUILDING AND BRIDGING FINANCE

Up to 100% available now from 3 1/2% over sterling Inter Bank rate.

### INTEREST-ONLY LOANS

On commercial and industrial properties from 10 1/2% over 10-15 years.

Contact Britain's leading finance consultants.

PETER G. HIRSCH & CO. LTD  
15 Berkeley Street, London W1  
Telephone: 01-629 5051

## COTTON SPINNING/WEAVING

We are acting for an overseas client interested in acquiring a medium-size public or private company engaged in the spinning and/or weaving of cotton. The company should be preferably based in the U.K. but operations in any E.E.C. country will be considered.

Replies in strict confidence to:—  
C. P. Choularton, Sons & Partners Limited,  
Investment Bankers, Ashley House,  
30 Ashley Road, Altrincham, Cheshire.  
Tel. No: 061-928 9011.

## EMPLOYMENT AGENCIES

Continental group seeks to acquire majority holdings in expanding employment agencies—United Kingdom or Europe. Pre-tax profits to be in £100,000 region.

Write Box E.1074, Financial Times, 10, Cannon Street, EC4P 4BY.

## SCANDINAVIAN FIRM

in forging business interested in agreement or joint venture with U.K. firm to develop products. Particularly interested in applying the patented safety-hooks of the firm to complete lifting machinery, e.g. cranes. Write to "Safety Hooks", Box No. E.1057, Financial Times, 10, Cannon Street, London, EC4P 4BY.

## SEEKING INVESTMENT OPPORTUNITIES?

We are building up a select Register of serious investors currently seeking worthwhile investment opportunities, prior to mounting our own 1974 Search for projects and businesses with considerable development potential.

If you are interested, please write for details to:—  
Mr. I. Williams,  
Commercial Finance and Property Management Consultants,  
Surrey House, 10, Cannon Street, London EC4P 4BY.

## INVESTMENT OPPORTUNITY

Electronic Development and Manufacturing Company seeks £15,000 to fund expansion. Opportunity exists to acquire substantial or even controlling interest. Would suit marketing company seeking new products or would provide additional capacity to £250,000 p.a. for manufacturing company. Principals only Write Box E.1059, Financial Times, 10, Cannon Street, EC4P 4BY.

## FIXED ROYALTY for sale

Guaranteed £5,000 per annum min. Could be £20,000 p.a. upwards. Price £10,000 now. Phone (01) 637 3605 for appointment.

## SEEKING FINANCE?

Applications invited for any proposition. Minimum £10,000, no maximum. All applications must be accompanied by a detailed business plan. Write, giving brief details to: PARK INVESTMENT (MORTGAGE & FINANCE CO.), 103/105 Tottenham Road, East London, N.7. Tel: (0253) 22543.

## INTERESTED INVESTORS

In catering company with Mayfair interests now expanding with a view to early flotation. Please apply in first instance to:—  
Reference CH. Joffe,  
Catering & Finance Ltd.,  
Audley House, 9, Margaret Street, London, W1N 7LF.

## FUNDS AVAILABLE

Business and development finance from £15,000. Contact HARTLEY PRICKETT & CO., 61, Watlington Road, Watlington, Oxford. Tel: 01235 7521.

## WANTED

Leasing and/or plant hire company. Would suit a company with a fleet of 50-100 vehicles. Write Box E.1058, Financial Times, 10, Cannon Street, EC4P 4BY.

## ROOFS

Gutters, Tanks, Walls, etc. Contact The Waterproofing Experts, Plastic & Resins Ltd., 10, Cannon Street, W.1. Tel: 01-629 5051.

## ADPONE BUSINESS SERVICE

offer in return for a 50% share in the business. Write Box E.1059, Financial Times, 10, Cannon Street, EC4P 4BY.

## WE SEEK INVESTORS

for viable proposition. Bayford Investments Ltd., 4, Linkfield Corner, Middlesex, W.1. Tel: 01-629 5051.

## IBM ELECTRIC TYPEWRITERS

factory for disposal due to move. Will accept offers for re-employment. Write Box E.1060, Financial Times, 10, Cannon Street, EC4P 4BY.

## ELIANE E-LINK

telephone system with 3 canyets of 50 automatic, push-button stations. Write Box E.1061, Financial Times, 10, Cannon Street, EC4P 4BY.

## SALE EUROPE

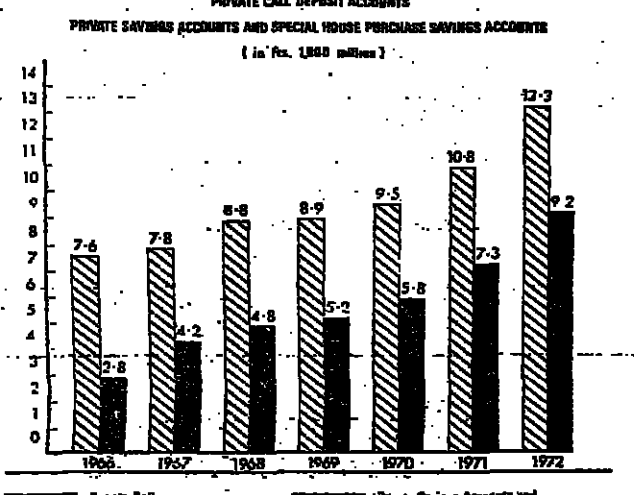
leading company, with a fleet of 50-100 vehicles. Write Box E.1062, Financial Times, 10, Cannon Street, EC4P 4BY.

## CREDIT LYONNAIS

### FINANCIAL YEAR 1972 EXTRACTS FROM THE DIRECTORS' REPORT.

The financial year 1972 was characterised by a substantial expansion of both liquid funds and of borrowing demand, also by increasingly intense competition. CREDIT LYONNAIS, whilst refusing to pursue a policy of expansion of its share of the market at any cost, continued to pursue its development objectives.

### LOANS TO THE PRIVATE SECTOR



Efforts were concentrated on improving the services offered: — automation of existing banking operations. — personalisation of more elaborate services, such as automatic cash dispensers.

Credit facilities to the private sector increased from France 5,200 million in 1971 to more than France 8,000 million in 1972: their percentage in overall lendings increased from 13% to 18%. This bears witness to the increasing recourse to banking services by the individual.

The assets of the four SICAV (investment trusts) managed by the Bank reached France 3,857 million, an increase of over one-third compared to 1971.

### CREDIT FACILITIES TO THE BUSINESS SECTOR

Facilities provided to companies increased by 16.7%. Medium and long term credits progressed by 30% and short term credits by nearly 14%. Special credit facilities were devised to assist small and medium-sized firms, keeping formalities as simple as possible. Particular efforts were made in the fields of property development and Export Finance.

An international network of leasing companies was created, directed by a Holding Company: SLIBAL INTERNATIONAL.

In the sphere of merchant banking, the investments of the SOCIETE DE BANQUE ET DE CREDIT reached France 41.6 million. Investments of SOFINEX reached France 18.7 million.

### BOND MARKET

CREDIT LYONNAIS made a substantial contribution in this field by participating in practically all of the 70 new issues offered to the public in 42 of them as managers or co-managers and by participating in the 30 issues reserved for the institutional investors.

### INTERNATIONAL ACTIVITIES OF CREDIT LYONNAIS

Co-operation with BANCO DI ROMA and with COMMERZBANK was further developed for the benefit of both private customers and the business sector. In addition, the financial year was marked by the completion of an agreement with LLOYDS BANK and preparations for the opening of a Representative Office in Moscow, which subsequently opened in February 1973.

### BALANCE SHEET AS AT 31st DECEMBER 1972

ASSETS		France
Cash in hand, with Central Banks, the Treasury and in Giro accounts		8 210 975 626.49
Balances with other banks and non-banking organisations operating on the Money Market:		
a) call deposits		2 544 083 772.25
b) time deposits and loans		20 405 383 437.77
Treasury Bonds and Securities received as collateral or purchased for cash		6 145 584 456.03
Profits to Customers — Bill of Exchange		
a) short term		18 833 272 152.71
b) medium term		7 836 220 388.81
c) long term		5 814 267 801.06
Credits granted to Customers — Bill of Exchange		13 744 048 626.90
Suspense accounts and sundries		4 720 384 109.99
Sundry Debtors		685 432 856.16
Liability of Customers for acceptance, as per contra		500 822 772.00
Security transactions		2 178 719 885.32
Investment portfolios		428 943 758.60
a) Government loans, bonds and debentures		682 300 745.09
b) Other securities		174 003 080.41
Investments in subsidiaries and participations		500 822 772.00
Bank premises and fittings		235 367 680.38
TOTAL		82 732 672 051.97
LIABILITIES		France
Balances of Central Banks, other banks and non-banking organisations operating on the Money Market:		
a) call deposits		3 505 991 720.88
b) time deposits and loans		19 508 173 753.13
Company and Sundry Accounts		
a) call deposits		13 113 091 288.42
b) time deposits		4 174 411 276.63
Private Accounts		
a) call deposits		13 384 533 509.31
b) time deposits		2 336 615 015.03
c) special term Savings Accounts		9 367 154 212.64
Certificates of Deposits		12 124 928 430.26
Suspense Accounts, provisions and sundries		6 556 439 231.76
Sundry creditors		5 350 233 592.06
Acceptances for account of customers, as per contra		2 178 719 885.32
Security transactions		463 511 222.96
Reserves		570 510 545.12
Capital		480 000 000.00
Profit: a) balance brought forward from previous year		3 899 840.74
b) profit for the year		135 390 840.61
TOTAL		82 732 672 051.97
CONTINGENT LIABILITIES		(000)
— Leasing operations — equipment		126 327
— Leasing operations — property		11 559 669
Securities given as collateral of sold for cash		7 808 210
Guarantees and endorsements given on behalf of customers		5 571 121
Documentary credits		2 501 350
Other commitments		
PROFIT & LOSS ACCOUNT		
Debit		
Employees' share of profit (previous year)		34 906 008.00
Losses from previous years		20 729 436.00
Transfer to provisions		27 924 446.92
Corporation Tax		54 706 008.00
Profit for the year		178 754 818.27
Credit		
Net banking income		135 390 840.74
Profits from previous years		452 411 056.50
Transfer of provision utilised (provision for employees' share in profit for the previous year)		
Profit for the year		35 000 000.00
TOTAL		452 411 056.50

The undersigned announce that as from Wednesday, September 12, 1973 there will be introduced to trading at the Amsterdam Stock Exchange CONTINENTAL DEPOSITARY RECEIPTS (CDRs) to bearer each representing 100 shares of Y 50 par value each of RICOH COMPANY, LTD. (Kabushiki Kaisha Ricoh) established in Tokyo, Japan.

The CDRs will be issued by Amsterdam Depositary Company N.V. established in Amsterdam.

The inclusion of these CDRs in the Official Pricelist of the Amsterdam Stock Exchange will be applied for.

The first price at which the CDRs will be traded on the Amsterdam Stock Exchange will be determined on the basis of the closing price of the shares of Ricoh on the Tokyo Stock Exchange on September 12, 1973. On the first day of trading in Amsterdam, ADR's charges on issue of CDRs will be for account of Ricoh Company Ltd.

Copies of the Dutch prospectus and of the Deposit Agreement and of an English translation thereof may be obtained free of charge at the offices of the undersigned in Amsterdam, Rotterdam and The Hague where also copies in English of the semi-annual reports of Ricoh for the periods ended September 30, 1972 and March 31, 1973 and of its Articles of Incorporation are available for inspection by the public.

Amsterdam, September 3, 1973.

AMSTERDAM-ROTTERDAM BANK N.V.  
ALGEMENE BANK NEDERLAND N.V.  
BANK MIES & HOPE N.V.  
PIERSON, HELDRING & PIERSON











[illegible]

Whasson (25p 1000 B)  
Woodhouse Rixson (Hides) (12'p) 30'p

**MINES**

Evans of Leeds (25p) 113  
Fraternal Estates (5m 35' 7"  
Great Portland Estates (50m  
Greencoat Properties

[illegible][illegible][illegible]

Sembcorp 68¢<sup>+</sup> 700 170 80  
S.W. Africa 72¢<sup>+</sup>  
Southern Holdings (R) 50.1 370 70  
Trans-Natal Coal Corp. (R) 50.1 480 9  
Transvaal Exploit. (R) 51 540  
U.C. Inv. (R) 11 265  
Union Cons. (R) 60.6 332 3 30  
Vaal Reefs Exploit. Mining (R) 50.1 11  
" " "  
Wendoprest (R) 212  
Waterwa. (Rustenburg) (R) 05 : 195  
Welkom (R) 50.1 355 50 50 5 63:

W Randsfontein (R1) 617N; 10 E 1 N  
W Driftenfontein (R1) 140D;  
Western Highlands (R1) 212 D 2  
Western Deols Levels (R1) 730D; 5 800:  
10  
Western Highlands (R0.S0) £16-0 10  
1710L (R1)  
Winkebaak (R1) 455E 30; S.U.B \$85  
440 2  
Zandpan (R1) 162D 20 591

West African (H)

Lungva (London) 1000  
Sumo Highways (Cord.) 500  
Sima Hides, 1100; 500  
Nile Miss.  
Williamson Tea Hides, 77

TELEGRAPHS & TELE  
G Northern Telegraph 1000  
25.

TRAJWAYS & ONNIR  
Swaz (Grav) 1100- 42; 2

British Tim 110d: 12  
 United Tree Acres 111d: 100  
**Diamond (30)**  
 Comp. African Selection 25a: 82d: 6  
 DeBeers Consd. Div. Rec.: RC03: 3510  
 '810 46 '770 47d: 82a: 5 Bz: 8 7 50  
 '5: 1B: 100 03: 440  
 Sea Diamond (R010): 14:0  
 07: (871)

**WATERWORKS 6**  
 Bournemouth Dist. 40  
 Colne Valley 1010d: 94  
 Coln Valley 48c: 51: 40d: 1  
 Do: 57: 7: 40d: 20  
 York Waterworks Soc: 19  
**SPECIAL LIST**  
 SEPTEMBER 2 (nd)

Anglo Petroleum 150.50 47 7  
Anglo-Ecuador 150.50 6 8  
Berry Wiggins 125.00 47 112  
British Petroleum 150.50 110.00 149 50  
British Barmah 177.50 47 50  
British Petroleum 195.00 50 47 50 6 4  
British Petroleum 150.50 100.00 100.00 100.00  
Société 75.00  
Barmah Oil 150.50 50 3 4 3 5 11 12  
7 6 Warrants to Sub. 120.00 5 11 2 4  
7 6 Warrants to Sub. 120.00 5 11 2 4

Dil Exploration (Hogg)	1100	1010	990	Alberta Paper 578
Dior				Albion Airframe 5058
Premier Cons. Oilfields 1520	29	29	9	Alliance G. Oils 51
Royal Dutch Petroleum (H20)	220	220	200	Argo Int'l 1509
100 19 4	220	215	210	Aust. Antimony 9
100 30				Aust. Cons. 30
Shell Transport Trading (250)	237	237	230	Aust. Continental Resources 230
80 30 36 50	74	57	54	Aust. Development 34
45 25	70	60	11	Aust. Energy 11
Tasaco 76 00 75				Bank of New South Wales (Aus)
76 00 25	158	70	135	510
Ultramar (250)	230	230	230	Bank Aust. 1241

**PROPERTY (306)**

Almalt Landon Prop. 65-101120 62 W.  
Almalt, Invest. Prop. 12501 871 2nd  
2nd 25160 50  
Anderson Hops, 12501 74  
Anvil Sigs (5mi 24  
Arenic Sigs, 12501 119 20  
Artagen Prop. 12501 13800 9 9. 64  
p.c.l.n. 501  
Barnes Hops  
Bassett Exploration 6  
Black and Decker 14/4  
Burgaville 18000 1 3 2  
Brambles Inds. 75 3 70  
CP Canada 77 5  
CIT Int'l. 54156  
Creston Elev. 114 120 116  
Canadian Lencost 8:5  
Carlton Oil Brews 209  
Carmichael  
Chemical Alloy Minerals 1540

54 Bank Com. Hides, 10000 301, 291, 4  
 Berkeley Hume Proas 2500 259 6  
 Bilton P. 1250 81  
 Braders Prop. 1250 166  
 Burt Prop. 1250 10 1890 81 1:00 1  
 7 7 8 6. Writs. sub 881, 7, 9' 9c  
 1, 6, 20 1  
 Brivion Estate 2500-910 20 2 1 2  
 Burton M. Prop. Invest. 1250 1 73

### Option Report—3-month Call rat

First Dealings	Last Dealings	Last Declaration	For Settlement	Abstract
Aug. 21	Sept. 10	Nov. 22	Dec. 4	included House of Fraser, Wm. Hudson, ICL, Imperial & GEC, Woodside, Burnham.
Sept. 11	Sept. 24	Dec. 6	Dec. 8	Cohen, Triumph Investments, Trust and Plessey, A.I.
Sept. 25	Oct. 8	Dec. 20	Jan. 8	was arranged in December while a double option was

Quieter conditions prevailed in the autumn.

MARKET STOCKS to acted in Freemans (London)			
Industrials			
A.P. Cement	17	30	Slater Walker
Amor. Leisure	15	29	Spillers
Barclays Bank	4	23	Anglo Amer
British Ind	4	29	Broken Hill
Brit. Drug	1	23	Chatter G
			Churchill

[illegible][illegible]

## REGIONAL MARKETS

Prices in pence and denominations of 25p unless otherwise stated

BELFAST		LONDON	
1st Feb 82	207 1/2	207 1/2	207 1/2
2nd Feb 82	207 1/2	207 1/2	207 1/2
3rd Feb 82	207 1/2	207 1/2	207 1/2
4th Feb 82	207 1/2	207 1/2	207 1/2
5th Feb 82	207 1/2	207 1/2	207 1/2
6th Feb 82	207 1/2	207 1/2	207 1/2
7th Feb 82	207 1/2	207 1/2	207 1/2
8th Feb 82	207 1/2	207 1/2	207 1/2
9th Feb 82	207 1/2	207 1/2	207 1/2
10th Feb 82	207 1/2	207 1/2	207 1/2
11th Feb 82	207 1/2	207 1/2	207 1/2
12th Feb 82	207 1/2	207 1/2	207 1/2
13th Feb 82	207 1/2	207 1/2	207 1/2
14th Feb 82	207 1/2	207 1/2	207 1/2
15th Feb 82	207 1/2	207 1/2	207 1/2
16th Feb 82	207 1/2	207 1/2	207 1/2
17th Feb 82	207 1/2	207 1/2	207 1/2
18th Feb 82	207 1/2	207 1/2	207 1/2
19th Feb 82	207 1/2	207 1/2	207 1/2
20th Feb 82	207 1/2	207 1/2	207 1/2
21st Feb 82	207 1/2	207 1/2	207 1/2
22nd Feb 82	207 1/2	207 1/2	207 1/2
23rd Feb 82	207 1/2	207 1/2	207 1/2
24th Feb 82	207 1/2	207 1/2	207 1/2
25th Feb 82	207 1/2	207 1/2	207 1/2
26th Feb 82	207 1/2	207 1/2	207 1/2
27th Feb 82	207 1/2	207 1/2	207 1/2
28th Feb 82	207 1/2	207 1/2	207 1/2
29th Feb 82	207 1/2	207 1/2	207 1/2
30th Feb 82	207 1/2	207 1/2	207 1/2
1st Mar 82	207 1/2	207 1/2	207 1/2
2nd Mar 82	207 1/2	207 1/2	207 1/2
3rd Mar 82	207 1/2	207 1/2	207 1/2
4th Mar 82	207 1/2	207 1/2	207 1/2
5th Mar 82	207 1/2	207 1/2	207 1/2
6th Mar 82	207 1/2	207 1/2	207 1/2
7th Mar 82	207 1/2	207 1/2	207 1/2
8th Mar 82	207 1/2	207 1/2	207 1/2
9th Mar 82	207 1/2	207 1/2	207 1/2
10th Mar 82	207 1/2	207 1/2	207 1/2
11th Mar 82	207 1/2	207 1/2	207 1/2
12th Mar 82	207 1/2	207 1/2	207 1/2
13th Mar 82	207 1/2	207 1/2	207 1/2
14th Mar 82	207 1/2	207 1/2	207 1/2
15th Mar 82	207 1/2	207 1/2	207 1/2
16th Mar 82	207 1/2	207 1/2	207 1/2
17th Mar 82	207 1/2	207 1/2	207 1/2
18th Mar 82	207 1/2	207 1/2	207 1/2
19th Mar 82	207 1/2	207 1/2	207 1/2
20th Mar 82	207 1/2	207 1/2	207 1/2
21st Mar 82	207 1/2	207 1/2	207 1/2
22nd Mar 82	207 1/2	207 1/2	207 1/2
23rd Mar 82	207 1/2	207 1/2	207 1/2
24th Mar 82	207 1/2	207 1/2	207 1/2
25th Mar 82	207 1/2	207 1/2	207 1/2
26th Mar 82	207 1/2	207 1/2	207 1/2
27th Mar 82	207 1/2	207 1/2	207 1/2
28th Mar 82	207 1/2	207 1/2	207 1/2
29th Mar 82	207 1/2	207 1/2	207 1/2
30th Mar 82	207 1/2	207 1/2	207 1/2
31st Mar 82	207 1/2	207 1/2	207 1/2
1st Apr 82	207 1/2	207 1/2	207 1/2
2nd Apr 82	207 1/2	207 1/2	207 1/2
3rd Apr 82	207 1/2	207 1/2	207 1/2
4th Apr 82	207 1/2	207 1/2	207 1/2
5th Apr 82	207 1/2	207 1/2	207 1/2
6th Apr 82	207 1/2	207 1/2	207 1/2
7th Apr 82	207 1/2	207 1/2	207 1/2
8th Apr 82	20		

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MIDLANDS & WESTERN		SCOTTISH EXCHANGE	
Bar Ndr 100	250		
Bury King 100	235		
Clover Cont.	55		
Dromk. A. A	64		
Edinburgh	58		
Eng. Nat. 100	311		
Do Defered	43		
Em. Ring	40		
Grat. A. 100	435		
Hill (U. W) 100	585		
Lager 100	550		
Richards (100)	2		

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## HOTELS—Continued

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documents emerge. On historical figures, a cash bid at 13 times net earnings, and at around book net worth, looks fair considering that competition and technological pressures have built up strongly since the late 1960s, when the share price topped 190p at one time.

Yamani, Saudi Oil Minister, said his country needed time to provide the infrastructure and the necessary technicians to enable her to handle more than 50 per cent of the operations of the oil companies.

Nicholas Colchester writes from New York: The major American oil companies affected by the Libyan take-over were still in a state of considerable uncertainty last night. They had as yet, a spokesman explained, to receive signal copies of the nationalisation decree although they had been notified unofficially, and the press media were treating the 50 per cent take-over as

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